



景碩科技股份有限公司
KINSUS INTERCONNECT TECHNOLOGY CORP.

2022

ESG Corporate Sustainability Report



Tsing-Hua
Factory



Yu-Shih
Factory

- Sustainable Kinsus -



Shih-Lei
Factory



Xing-Feng
Factory



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Statement from Top Management

| Sustainable Development Strategy

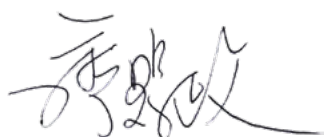
In 2022, the world experienced severe disasters caused by extreme climate conditions. The ongoing Russian-Ukrainian war, which began at the end of February, and the continued spread of the Covid-19 pandemic, now in its third year, have resulted in unstable food supplies due to abnormal climate conditions and the war itself. These factors have contributed to inflation. In addition, the global economy has been weakened by the devastating impact of the pandemic. Faced with external instability and economic weakness, the business environment has become more challenging and demanding. This highlights the urgency for companies to promote ESG (Environmental, Social, and Governance) sustainability work, shifting from the question of "when" to the imperative of "do it now."

ESG sustainability work has been elevated to the national level, with the government encouraging active private sector participation through policies, laws, finance, and regulations. Additionally, the Financial Supervisory Commission announced the Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies in January 2022, while the Securities & Futures Institute issued the ESG Action Plan in March 2023, both of which require TWSE- and TPEX-Listed companies to produce their own ESG sustainability reports for 2022, aiming to address climate change risks and challenges. Companies are also expected to conduct greenhouse gas inventories in order to monitor their emissions of greenhouse gases and carbon dioxide. By raising awareness of environmental protection while carrying out the operational activities, as well as implementing short, medium, and long-term energy conservation and carbon reduction policies and goals, companies can strive for sustainable development.

Involved in both domestic and international markets, Kinsus is a leading Taiwanese company engaged in the manufacturing and export of IC substrates. Kinsus recognizes the importance of climate change and energy-saving and carbon-reduction policies and commitments. The company strives tirelessly in various aspects, including environmental protection and energy-saving and carbon-reduction initiatives, supporting ESG and SDGs enterprises and policies, risk management and information security protection, as well as emphasizing corporate governance and operational performance, and creating a friendly workplace and participating in social welfare activities. Given the increasingly stringent regulations on energy conservation and carbon reduction both domestically and internationally, sustainable development has become a new norm for business development. The ESG of companies directly impact their survival and competitiveness. Since the establishment, our Company has actively promoted policies and management guidelines for environmental protection, energy conservation, and carbon reduction. We provide a healthy and safe working environment for our employees and encourages colleagues to take concrete actions in safeguarding the environment and giving back to the community. External stakeholders are also encouraged to participate, for we aim to expand social impact and achieve the goal of "shared prosperity." In July 2022, Kinsus established the Sustainable Management Office to actively integrate and promote ESG sustainability work, demonstrating our commitment to continuous ESG development.

Kinsus adheres to the core values of "Integrity, Diligence, and Lean Management." We primarily engage in the production of System in Packaging substrates (SiP), RF modules substrates, and Flip Chip Ball Grid Array substrates (FCBGA) for IC substrates. In 2022, we achieved a record-high revenue, marking a significant milestone for the Company. However, due to economic weakness in the fourth quarter of 2022 and the first half of 2023, our operational challenges for 2023 are exceptionally severe. Our professional research and development, manufacturing, and marketing teams continue to strive for perfection as they diligently innovate IC substrate products and target global markets

The journey towards the vision of sustainable development for companies is a long one, and all Kinsus employees are willing to make their modest contributions to the green environment. We uphold the principles of "Integrity in Business, Implementing Corporate Governance, Cherishing the Green Earth, Fulfilling Social Responsibility, and Pursuing Sustainability."




Summary and Scope of the Report

| Summary

The content of this report is prepared in accordance with the guidance and framework of the Global Report Initiative (GRI) Standards. It provides a detailed introduction to Kinsus Interconnect Technology Corporation (referred to as "Kinsus Technology," "Kinsus," "the Company," or "we") and its fulfillment of corporate social responsibility. The report highlights our commitment to sustainable management practices, corporate governance, integrity management, operational performance, customer service and product quality, sustainable supply chain management, green production for environmental protection, safe and healthy working environments, and social prosperity. This is the ninth Corporate Social Responsibility report generated by the Company, and our aim is to provide reliable and transparent information to the public, taking into consideration the topics of concern to investors in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" of the Stock Exchange. Various information is simultaneously published on the Company's website to facilitate two-way communication with internal and external stakeholders. We anticipate a growing demand from stakeholders for the disclosure of non-financial information, so we strive to enhance the transparency and credibility of the Company's management policies and data related to sustainable development by presenting a comprehensive view.

This report can be accessed and downloaded on the Company's official website at the following URL :

<https://www.kinsus.com.tw/>

| Report Period

The report presents data from January 1, 2022, to December 31, 2022, with the information disclosing Kinsus Technology's sustainability management in the aspects of the organization and identification of stakeholders, communication and analysis of issues of concern, sorting and response to material topics, Influence of sustainable management, and risk evaluation of material topic. It also covers fulfilling the United Nations Sustainable Development Goals, ongoing operational plans, as well as management policies and action performance regarding significant ESG issues. Kinsus's ESG report will be revised and published on a yearly basis with the aim to communicate with our readers regarding any revisions and updates.

| Coverage

The scope of this report is based on the organizational coverage set by Kinsus Technology, including:

 **Shih-Lei Factory (Headquarters):** No. 1245, Zhonghua Rd., Xinwu Dist., Taoyuan City

 **Tsing-Hua Factory:** No. 810, Zhonghua Rd., Xinwu Dist., Taoyuan City

 **Xing-Feng Factory:** No. 526, Sec. 2, Jianxing Rd., Xinfeng Township, Hsinchu County

 **Yu-Shih Factory:** No. 580, Gaoshi Rd., Yangmei Dist., Taoyuan City

This report focuses on Kinsus Technology's three domestic factories. (The Xing-Feng Factory consists of Factory1 and Factory2, collectively referred to as the Xing-Feng Factory. Only in the Environmental Health and Safety section are the data for Factory1 and Factory2 disclosed separately.) It should be noted that Yu-Shih Factory was not operational in 2022, so its data is only disclosed in the Human Resources and Information section. The report does not include performance data for other subsidiaries in Taiwan and China. The disclosure is made for Kinsus's employees, external customers, suppliers, and investors. General language and numerical values are used throughout the report, while financial figures are presented in New Taiwan Dollars (NTD) or thousands of NTD.

| Principles and Guidelines

The sustainability report adopts international common standards, including GRI, TCFD, SASB, as well as the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies of Taiwan, to continuously strengthen the comparability of performance and the substance of the report. The abovementioned standards are as follows:

- ◆ **Global Reporting Initiative** (refer to **GRI Standards: 2021**)
- ◆ **TCFD: Task Force on Climate-related Financial Disclosures**
- ◆ **SASB: Sustainability Accounting Standards Board: Resource Transformation Standards for hardware manufacturing industry's**
- ◆ **Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of CSR by TWSE Listed Companies**
- ◆ **Revision of Corporate Social Responsibility practice principles for listed and OTC firms by Dec. 7th ,2021: ESG Report**

| Changes in reports

There are two major changes in the Company's 2022 ESG sustainability report, which are explained as follows:

Before Adjustment: 2021 ESG Sustainability Report

1 Adjustment of material topic (including words with the same meaning)

Sustaining Items: operational performance, operational risk, occupational health and safety, greenhouse gas emissions, water Use and wastewater emissions, privacy protection, employment relations, child labor and forced labor, human rights and anti-discrimination, **totaling 9 items**

Adjustment: corporate governance, customer satisfaction, **totaling 2 items**

- **Deleted items:** product and service labeling, consumer health and safety (because it is stipulated in the GRI guidelines, the scope of the report is limited and focuses on a specific area or aspect.); waste management is adjusted to a secondary issue, **totaling 3 items**

Total of the above: 14 items

2 Adjustments and supplements to chapters of the report

• Stakeholders

- 1.2 Organization and Identification of Stakeholders
- 1.3 Communication and analysis of issues of concern to stakeholders
- 1.4 Sorting and response after identification of material issues

6. Appendix

- 6.1 GRI Content Index
- 6.2 Third- party Verification Report

Adjusted: 2022 ESG Sustainability Report

1 Adjustment of material topic (including words with the same meaning)

Sustaining Items: operational performance, risk management, safety and health, energy saving and carbon reduction, environmental protection, customer privacy, labor-management relations, human rights protection, **totaling 8 items**

Adjustment: Integrity management, customer service and satisfaction, **totaling 2 items**

- **New items:** shareholder rights, legal compliance, morals and ethics, product quality and delivery, **totaling 4 items**

Total of the above: 14 items

2 Adjustments and supplements to chapters of the report

1. Practice sustainable management: (supplement)

- 1.1 Stakeholder organization and identification (adjustment)
- 1.2 Communication and analysis of issues of concerns to stakeholders (adjustment)
- 1.3 Sorting and Response after Identification of Material topic (adjustment)
- 1.4 Influence of sustainable management (supplementary)
- 1.5 Fulfilling the United Nations Sustainable Development Goals (supplementary)
- 1.6 Continuing operation plan (supplement)

Supplement:

- **Regulations of TCFD** → The management guidelines of the first page of chapters 2, 3, 5, 6, and 7 (including short-term, medium-term and long-term plans and performance of material topics)

- **Appendices:** 1. CSR Performance, 2-1 List of Material Topics, GRI Standards Provisions and ESG Report Chapter Comparison Table, 3. SASB Comparison Table, etc.

Sustaining: Appendix 2. GRIs Standards Comparison Table, 4. Third-Party Verification Report

Explanation:

1. The adjustment of material topic part: the wording is in line with the commonly used material topics in the industry. The scope of the topics should not be too large, and the provisions should not be too narrow;
2. Adjustments and supplements to the chapters of the report: In response to the new version of GRI: 2021 which will take effect in 2023, it is stipulated that material topics should be listed as management items. Therefore, a new chapter has been added: Chapter 1 Practices Sustainable Management, which provides details on the assessment of the company's influence and the management of the list of material topic, such as Appendix 2-1. Additionally, specific management guidelines are provided for major topics in each chapter.

| Ensure the Accuracy of Public Information

Public ESG related information has a significant impact on stakeholders, so it is crucial for us to pay attention to every detail and ensure the correctness and completeness of public information.

Internal Confirmation

Unless specifically noted, all currency units in this report are expressed in New Taiwan Dollars, and numbers are rounded to two decimal places.

In order to highlight medium and long-term trends, some indicators in this report provide continuous data from 2020 to 2022.

Every information, data, review and verification information disclosed in this report has been documented and reviewed by the relevant departments. It has been confirmed and approved by supervisor and reviewed by top management.

External Confirmation

Financial data: Ernst & Young Global Limited (EY)

ESG Sustainability Report: the verification process has been conducted by DNV using AA1000 AS v3 to implement Type I moderate assurance level verification the requirements of the GRI Standards: 2021 standard have been taken into account during the verification process (refer to Appendix 4 for details).

| Publication Frequency

The report is generated on an annual basis.

The current edition (2022) is scheduled to be released by June 2023.

The last edition was released in September 2021.

The next edition is planned to be released by June 2024.

| Contact

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Practice Sustainable Management

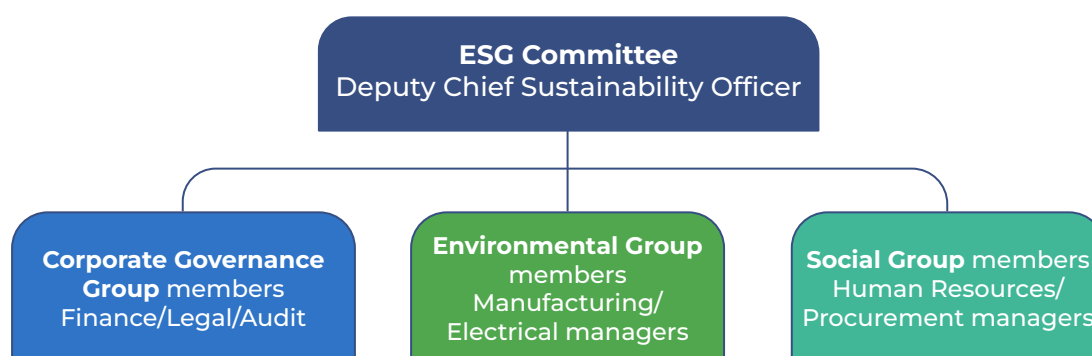
- 1.1 Stakeholder Organization and Identification
 - 1.2 Communication and Analysis of Issues of Concern to Stakeholders
 - 1.3 Sorting and Response after Identification of Material Topics
 - 1.4 Influence of Sustainable Management
 - 1.5 Fulfilling the United Nations Sustainable Development Goals
- KINSUS's Directions and Actions towards Sustainable Development Goals listed in the ESG Sustainability Report

1.1 Stakeholder Organization and Identification

1.1.1 ESG Organization and Responsibilities

Kinsus Technology has made relevant regulations according to Corporate Governance Best Practice Principles and has recognized that sustainable business practices require in-depth and comprehensive discussions with stakeholders over the long term. Therefore, Kinsus actively establishes communication channels with various stakeholders to understand and address their concerns. By continuously focusing on and responding to stakeholder issues, Kinsus Technology allows for timely adjustments and modifications to its sustainable business goals. Furthermore, the Company fully discloses its commitments and contributions in corporate governance, economic aspects, environment, and social dimensions, demonstrating its dedication to promoting sustainability and fulfilling corporate social responsibilities. Kinsus strives to actively respond to the expectations of the public and showcase its societal impact.

The Company established the ESG Implementation Committee (hereinafter referred to as the ESG Committee) as the executive unit. The heads of relevant departments serve as members of the corporate governance group (including the economic group), the environmental group, and the social group (including the supply chain, employees, and communities). The Deputy Chief Sustainability Officer of the ESG Committee supervises and manages and reports to the Board of Directors on a quarterly basis. The Board of Directors reviews the implementation of the sustainable development strategy and action plan proposed by the sustainable management office and supervises adjustments when necessary. The Board of Directors considers its organizational structure as shown below:



The ESG Committee is a cross-departmental communication platform, responsible for planning, implementing and controlling various action plans, integrating and supervising the implementation progress and effectiveness of the three major aspects of corporate governance, society and the environment, ensuring the effectiveness of horizontal and vertical communication of the organization, and practicing sustainable development.

Responsibilities of the committee:

- (1) establish ground rules and strategies for annual corporate sustainable development plan;
- (2) plan and implement various activity plans for corporate 's sustainable development;
- (3) track and review the implementation and effectiveness of the corporate sustainable development plan;
- (4) make decisions on other matters related to sustainable development such as ESG corporate governance, environment, and society;
- (5) hold a review meeting every six months to make alignment across the Company on sustainable development and activities promotion and implement ESG-related business and participate in related activities at work.

The organization of the above-mentioned ESG committee, the key ESG work items and responsible units of each category are as follows:

Categories		Key ESG Work Items	Responsible Unit
Corporate Governance			
Corporate Governance	Corporate governance - financial management system Integrity management		Heads of Financial Department and Corporate Governance
	Various management systems: financial / ISO / personnel management, etc.		
	Ethical management system: compliance with regulations, professional ethics, anti-corruption and bribery, etc.		HR Department / Employees at all levels / Labor Representative
	Information security		Information Technology Department
	Risk management		Safety & Health Department
	Customer privacy		Business Office
	Sustainable Development Management Mechanism and Objectives		ESG Committee
	Grievance Mechanism - employees / customers / suppliers / shareholders		HR/Business/Audit/ Spokesperson
Economy	Business performance	Business Office	
Environment			
Environmental Management / Energy conservation and Carbon Reduction	Energy management Greenhouse gas management (Carbon Emissions) Water resource management		Safety & Health Department
	Sewage / exhaust Gas / waste management Work Environment Management System		Safety & Health Department Plant Affairs Department
	Public area management system		General Affairs Department
Society			
Product	Supplier	Supply chain management (including contractors)	Procurement Department and Plant Affairs Department
	Product safety and customer service satisfaction	Product quality and safety Customer service and satisfaction Customer relationship management	Business Department, Quality Assurance Department
	Product quality Management and delivery	Product quality management system Key processes and control methods of quality management Yield rate and delivery date of product quality	Quality Assurance Department
Management Employee	Employee management Mechanism /Labor-management Relations / Health and Safety	Staff selection and retention management Salary and benefits and talent cultivation Labor and management relations	HR Department
		Occupational health and safety	Safety & Health Department
Community and Charity Activities		Neighborhood in the local community	General Affairs Department
		Give back to the community and public welfare activities	

1.1.2 Identification of Major Stakeholders

Kinsus Technology identified six major stakeholders based on the six screening principles: "Responsibility," "Influence," "Proximity," "Dependency," "Representation," and "Policy and Strategic Intent" during the ESG Committee meeting. These stakeholders include investors (shareholders), employees, customers, suppliers, communities, and government institutions. Through various communication channels, Kinsus listens to the voices of stakeholders, collects their issues of concern regarding the Company, and acknowledges and responds to their expectations.

The major stakeholders of the Company are as follows:



1.1.3 Communication Channels for Major Stakeholders

Kinsus Technology discloses corporate social responsibility on the Company website, and the corresponding windows and contacts of the six major stakeholders. The corresponding contact windows and their concerns are as follows:

For Employees

Contact window: HR Department

Email: polochen@kinsus.com.tw

Topics of concern: Salary and benefits, training and development, safety and health, promotion channels, etc.

Complaint channels

TEL: +886-3-4871919 #22311

Mailbox: polochen@kinsus.com.tw

Complaint Hotline: +886-3-4871919 #27885

Email: hr@kinsus.com.tw

For Customers

Contact window: Business Office

ABF Email: henrylee@kinsus.com.tw

BT Email: mangoliu@kinsus.com.tw

Topics of concern: Product quality and delivery, customer privacy, customer service and satisfaction, etc.

For Suppliers

Contact window: Procurement Department

Email: kellyher@kinsus.com.tw

Topics of concern:

Procurement specifications, green procurement, supplier management, etc.

For Investors

Contact window: Spokesperson

Email: jackmu@kinsus.com.tw

Topics of concern:

Operational performance, corporate governance, risk management, shareholder rights, information disclosure, etc.

For Government Institutions

Contact window: Safety & Health Department

Email: jonathanfan@kinsus.com.tw

Topics of concern:

Compliance with regulations, corporate governance, safety and health, environmental protection, etc.

For Communities

Contact window: General Affairs Department







Email: charleshshueh@kinsus.com.tw

Topics of concern:

Environmental protection, community relations, public welfare activities (including donations, sponsorships), etc.

1.2 Communication and Analysis of Issues of Concern to Stakeholders

Kinsus Technology collects sustainability-related issues based on sustainable development goals, industry norms and standards, and organizational annual objectives. Through various communication channels with stakeholders, represented by different departments, regular or ad hoc exchanges are conducted to assess the impact of the Company's operations and whether they will have an impact on the Company's operations. A total of 26 stakeholder concerns have been identified, with any duplicates counted as one. The detailed list is as follows:

Stakeholder	Issues of Concern	Main Communication Channel	Communication Frequency
 Investors	Business performance, corporate governance, risk management, compliance with regulations, shareholder rights, information disclosure, morals and ethics, human rights protection	<ul style="list-style-type: none"> • Board of Directors • Shareholder's meeting / annual report • Public Disclosure on Market Observation Post System • Corporate website • Investor Conferences 	<ul style="list-style-type: none"> • At least 4 sessions / year • 1 session / year • 1 time / year • Monthly / quarterly / yearly • Timely
 Employees	Salary and benefits, promotion channels, training development, labor-management relations, health and safety	<ul style="list-style-type: none"> • Two-way Communication Session • Labor-management Meeting • Education and Training Courses • Internal website / email notification / official document announcement / complaint mailbox 	<ul style="list-style-type: none"> • Irregular • 1 time per season • Irregular • Irregular
 Customers	Product quality and delivery, customer service and satisfaction, customer privacy, compliance with regulations, energy conservation and carbon reduction	<ul style="list-style-type: none"> • Customer Complaint Handling and Response • Customer Satisfaction Survey • Client Meeting • Phone / email / website 	<ul style="list-style-type: none"> • Irregular • Annual • Irregular • Irregular
 Suppliers	Procurement specifications, green procurement, supplier management, waste management, energy conservation and carbon reduction	<ul style="list-style-type: none"> • Written audit • Written / on-site evaluation • On-site audit 	<ul style="list-style-type: none"> • Irregular • 1 time / year • 1 time / year
 Government Institutions	Compliance with regulations, corporate governance, health and safety, environmental protection, energy conservation and carbon reduction, risk management, information disclosure, waste management, water resource management	<ul style="list-style-type: none"> • Official letter/ telephone consultation • Attend advocacy meetings • Regulatory briefing • Competent authority visits 	<ul style="list-style-type: none"> • Irregular • Irregular • Irregular • Regular / irregular
 Communities	Environmental Protection, community relations, public welfare activities (including donations and sponsorships)	<ul style="list-style-type: none"> • Environmental protection advocacy meeting • Public welfare activities 	<ul style="list-style-type: none"> • Irregular • Irregular

1.2.1 Identification and Analysis of Issues of Concern to Stakeholders

The significant considerations of each relevant issue corresponding to stakeholders are identified in terms of corporate governance, economic aspects, environmental aspects, and social aspects (including human rights/population). The analysis of internal and external scopes is conducted to determine the level of concern by the Committee. The results are as follows:

Issue Facets Concerned by Stakeholders		Issues Connotation Analysis	Internal Scope		External Scope				
			Organization	Employees	Shareholders	Customers	Suppliers	Government Institutions	Communities
Corporate Governance		Integrity Management	●	●	●	●	●	●	
		Compliance with regulations	●	●	●	●	●	●	
		IMorals and Ethics	●	●	●	●	●	●	
		Risk Management	●	●	●	●	●	●	
		Human Rights Protection	●	●	●	●	●	●	
		Information Disclosure	●	●	●			●	
Economic Aspects	Investors	Business Performance	●	●	●	●	●		
		Shareholders' rights	●	●	●		●	●	
	Customers	Product Quality and Delivery	●	●	●	●	●		
		Customer Service and Satisfaction	●	●	●	●	●		
		Customer Privacy	●	●		●	●	●	
	Suppliers	Procurement Specifications	●	●		●	●		
		Green Procurement	●	●		●	●		
		Supply Chain Management	●	●		●	●		
Environmental Aspects		Environmental Protection	●	●		●	●	●	●
		Waste Management	●	●			●	●	
		Water Resource Management	●	●		●		●	
		Energy conservation and Carbon Reduction	●	●		●	●	●	
Social Aspects	Labor Management in the Company	Labor-Management Relations	●	●	●	●		●	
		Salary and Benefits	●	●	●			●	
		Promotion channel	●	●			●	●	
		Training Development	●	●			●	●	
		Health and Safety	●	●	●	●	●	●	
	Community Relation	Community Involvement	●	●					●
		Social Welfare Activities	●	●					●
		Donation, Sponsorship	●		●				●

Note: The above table analyses the importance of 26 items regarding the concerned issues of the Company in its internal scope (organization and employees) and external scope (shareholders, customers, suppliers, government institutions, communities, etc.), with 5~6 【●】 attention issues, listed as material topics, as shown in light blue mark, totaling 14 items. In addition to responding to material and secondary issues and making a risk assessment and management of each material topic [see 4.2.3 Risk Management of Material topics for details] and list management such as [Appendix 2-1]; 4 【●】 are listed as secondary issues, as shown in light gray mark, totaling 9 items. The responses only answer to those material and secondary issues.

1.3 Sorting and Response after Identification of Material Topics

Based on the identification results of stakeholders, the ESG Committee convened a meeting to discuss the stakeholder concerns, the level of stakeholder engagement, and the immediate or potential impacts on the economy, environment, and society in relation to the 2021 ESG Sustainability Report. The ESG Committee conducted a review meeting on February 23, 2023, to prioritize the key stakeholder concerns for 2021, considering industry examples and making appropriate adjustments and revisions in 2022. The meeting records were reviewed and approved by the Deputy Chief Sustainability Officer. Among the 26 identified focus issues, adjustments were made, and the 14 material and 9 secondary disclosure issues in 2022 is shown in the form below:

<div> <div>↑</div> <div>Stakeholder Concerned Level</div> </div>	High	Community engagement, social welfare Donation / sponsorship	Salary and benefits, training and development, promotion channel	Business performance, integrity management, risk management,shareholder rights, labor-management relations, compliance with regulations, morals and ethics, human rights protection, safety and health, customer privacy, environmental protection, energy conservation and carbon reduction,customer service and satisfaction, product quality and delivery
	Moderate		Information Disclosure	Supply chain management, procurement specifications, green procurement, water resource management, waste management
	Low			
		Low	Moderate	High
		Immediate or potential impact on economy, environment, and society		

Note: ● material topics ● secondary issues

1.3.1 Responses to Material and Secondary Issues

In 2022, 14 material topics and 9 secondary issues were identified, and the summary management actions and related measures are explained as follows:

Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
Corporate Governance and Economic Aspect			
Corporate Governance - Shareholders' Rights - Integrity Management	2-18: Evaluation of the performance of the highest governance body 2-15: Conflicts of Interest	Satisfying shareholders is a very important task of the Company Implementing the integrity management policy is very important for the Company to establish credibility and reputation	Establish the Company's Articles of Association to clearly define shareholder dividends. Established "Integrity Management Procedures"
Risk Management	2-25: Processes to remediate negative impacts	Facing the operational and environmental risks faced by global enterprises, it is necessary to establish a risk management mechanism that can respond quickly, reduce losses and continuously safeguard the interests of stakeholders	According to the "Risk Analysis and Management Operating Procedures" and "Continuous Supply Plan" to control the operational impact and damage caused by risks, and implement relevant countermeasures
Compliance with Regulations	2-27: Compliance with laws and regulations	Integrity management is the policy, the basis for establishing Company trust, reputation and word of mouth	Integrity operation needs to be practiced through compliance with laws and regulations, the formulation of Anti-Corruption and Bribery systems and Avoidance of Interest policies
Ethics	2-15: Conflicts of Interest	In order to build a more complete corporate integrity management, formulate relevant norms of employee ethics and morality, avoid conflicts of interest, and create a sustainable business environment	Formulate the "Code of Ethics" and "Integrity Management Procedures" for employees and stakeholders to follow
Information Disclosure	2-3 ~ 2-5 General Disclosures	The Company publishes annual financial report and ESG Sustainability Report Content, Make Information Public	Open and transparent annual Financial Report and ESG Sustainability Report
Business Performance	201: Economic Performance 202: Market Presence	Business performance achieves the goal of sustainable operation by making continuous profits, expanding new customers and increasing market share, and creating new job opportunities	Keep abreast of the economic situation and increase capital expenditure in a timely manner Expand customers and market share Control costs and expenses
	207: Tax	Collection terms are important to companies Payment terms are important for suppliers	Establish customer and supplier collection and payment management permissions or methods
	416-2: Customer Health and Safety 417: Marketing and Labeling Product Quality and Delivery	Customers attach great importance to product quality and delivery It is also an important factor in building trust and good reputation with customers	Passed the ISO 9001 quality management system certification and quality assurance procedures and operating standards
Customer Service and Satisfaction	416-2: Customer Health and Safety 417: Marketing and Labeling Product Quality and Delivery	Customer service and satisfaction with products is an important factor to establish trust and good reputation with customers	Regularly conduct annual customer satisfaction survey, and ask responsible units to take action on complaints and requirements from customers within a time limit

Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
Corporate Governance and Economic Aspect			
Product Quality and Delivery	416-2: Customer Health and Safety 417: Marketing and Labeling Product Quality and Delivery	Customers attach great importance to product quality and delivery time, which is also an important factor for building trust and good reputation with customers	Passed the ISO9001 quality management certification (procedures, operating standards, etc.) and maintain its effectiveness
Customer Privacy	418: Customer Privacy	Understand the customer's requirements and standards for the Company and formulate purchase orders and contracts to implement the protection of customer privacy	Establish the "Personal Data Security Maintenance Operation Management Measures" and "Fair Competition and Information Disclosure Management Procedures" for both parties to follow
Purchasing Specifications	204: Procurement Practices 414: Supplier Social Assessment	The raw material procurement policy is mainly based on manufacturers in Taiwan, and the selection of new manufacturers should comply with environmental protection and social responsibility regulations	Formulate the "Supplier Social Responsibility Code of Conduct" and sign the "Corporate Social Responsibility Code of Conduct Statement" with suppliers and contractors for compliance
Green Procurement	414: Supplier Social Assessment	Procurement Policy: Do not purchase raw materials from hazardous substances, conflict metals and forced labor regions or countries	Passed the QC080000 Hazardous Substance Management System and suppliers passed Social Responsibility Assessment
Supply Chain Management	308-1: Supplier Environmental Assessment 414: Supplier Social Assessment	The sustainable development of the cause promoted by KINSUS Technology. It is necessary to establish a partnership with each manufacturer in the supply chain, and each supplier must also abide by the environmental and social responsibility laws and regulations	Formulate Supplier Management Operating Procedures, establish mutual trust and stable partnerships with suppliers, grow together, and build a sustainable supply chain
Environmental Aspect			
Energy Conservation and Carbon Reduction	305-1,2: Carbon Emissions 2-27: Compliance with laws and regulations	In response to global environmental protection trends and the development of the country's overall greenhouse gas reduction strategy, grasp the Company's greenhouse gas emissions	Reduce oil and electricity consumption for energy efficient management
Environmental Protection	303-1,2,3: Water and Effluents 306-3: Waste 2-27: Compliance with laws and regulations	Measures to reduce greenhouse gas emissions, sewage and effluent, and waste treatment and disposal comply with environmental regulations	Effectively reduce power consumption, and comply with the laws and regulations for wastewater testing and waste classification according to the ISO 14001 Environmental
Waste Management	306-3: Waste 2-27: Compliance with laws and regulations	Sewage and waste violate environmental laws and regulations. If the Company is fined, it will affect the reputation and corporate image	Comply with the laws and regulations for wastewater testing and waste classification according to the ISO 14001 Environmental Management System
Water Resource Management	303-1,2,3: Water and Effluents 2-27: Compliance with laws and regulations	Improve water resources management measures to reduce water shortage crisis, implement water management and reduction, and improve recycling and reuse	According to the use of water, conduct wastewater recycling under the categories of cooling water tower, process wastewater and domestic water

Item	GRI Standards	Importance to Kinsus Technology	Promote Measures
Social Aspect			
Labor-management Relations	401: Employment 402: Labor/Management Relations	The Company regards employees as the most important partners, and hopes to create a working environment with harmony, challenges, and sustainable learning and growth	Provide an industrially competitive overall salary and welfare system, as well as a harmonious working environment, so as to unite Kinsus's employees
Human Rights Protection	406: Non-discrimination 408: Child Labor 409: Forced or Compulsory Labor 412: Human Rights Assessment	Comply with relevant laws and regulations such as the "Labor Standards Act" and "Act of Gender Equality in Employment" and the "Regulations for Foreign Workers Management" to protect labor rights	Formulate "Work Rules" and "Sexual Harassment Prevention Measures, Complaints and Punishment Measures" and provide them to the Labor Bureau for approval, including regulations of human rights protection, forced labor and sexual harassment
Safety and Health	403: Occupational Health and Safety	Comply with the "Occupational Safety and Health Act" and provide employees with a safe, healthy, high-quality and friendly workplace	Formulate the "Operation Instructions for Prevention and Management of Ergonomic Hazards" and establish a hazard identification and control mechanism
Salary and Benefits	22-19: Remuneration policies 2-19: Process to determine remuneration 2-21: Annual total compensation ratio	Provide industry-competitive overall remuneration strategies and systems to attract and retain outstanding talents	Formulate the "Salary Management Measures" for supervisors at all levels to follow
Training and Development	404: Training and Education	Establish a mechanism that focuses on the development of employees and supplemented by performance evaluation, and cultivates and develops the personal capabilities of employees	Formulate the "Employee Performance Appraisal Measures" for supervisors at all levels to follow
Promotion Channel	404: Training and Education, Performance Assessment 405: Diversity and Equal Opportunity	Establish a mechanism that focuses on developing employee capabilities, supplemented by performance assessment, cultivates and develops employee capabilities, and regularly handles employee promotion and salary adjustments to establish diversity and equal opportunities	Formulate the "Employee Promotion Management Measures". Every year, supervisors at all levels report employees with outstanding performance to be promoted to supervisors or other positions

1.4 Influence of Sustainable Management

1.4.1 Material Topics in Kinsus's Value Chain Relationship

Material topics	GRI Standards Specific Topics SASB Code Clause - Hardware	Upstream	Kinsus's products			Downstream	Operational Importance			
		Procurement Stage	IC Substrate SiP /PBGA	FCCSP/ CSP	RF modules/ FCBGA	Customer use	Revenue Growth	Customer Satisfaction	Employee Morale	Operational Risk
>> Operating Profit										
Business Performance	201 Economic Performance	○	○	○	○	○	○	○	○	○
	202 Market Presence									
Customer Service and Satisfaction	416 Product Safety	○	○	○	○	○	○	○		
	417 Product Service									
	TC-HW-230a.1 Product Safety									
Product Quality and Delivery	TC-HW-410a.1 ~3 Product Lifecycle Management	○	○	○	○	○	○	○	○	○
>> Corporate Governance										
Integrity Management	2-9 Governance structure and composition						○	○	○	○
Shareholders' Equity	2-15 Conflicts of Interest						○	○		○
	2-25 Procedures to remediate negative impacts									
Risk Management	418 Customer Privacy						○	○	○	○
	TC-HW-230a.1 Product Safety									
Customer Privacy						○		○	○	○
>> Green Production										
Compliance	305-1,2,7 Carbon Emissions	○	○	○	○		○	○	○	○
	307 Compliance with environmental regulations									
Environmental Protection	306 Waste	○	○	○	○		○	○	○	○
	2-27 Compliance with environmental regulations									
Energy Conservation and Carbon Reduction		○	○	○	○			○	○	○
>> Sustainable Supply Chain										
Supply Chain Management	414-1 Suppliers Social Assessment	▲	○	○	○			○	○	○
>> Friendly Workplace										
Labor-management Relations	401 Employment							○	○	○
	402 Labor/Management Relations									
Human Rights Protection	406 Non-discrimination							○	○	○
	408 Child Labor									
	409 Forced or Compulsory Labor									
Ethics	412 Human Rights Assessment							○	○	○
	403: Occupational Health and Safety									
Safety and Health	TC-HW-330a.1 Employee Diversity and Inclusion		○	○	○			○	○	○

Note: ◎ Full disclosure ▲ Partial disclosure

1.4.2 Risk Management of Material topics

In 2022, the seriousness and possibility of risk occurrence of 14 material topics were identified, and their risk considerations, risk assessment and management measures are analyzed and explained in the following table:

	Business Performance		Integrity Management	Risk Management
Risk Consideration ★ Strategy ● Operation ◆ Hazard	Operating performance surplus	Operating performance loss	Integrity management, professional ethics and compliance with laws and regulations are important beliefs in the Company's operations	The Company follows financial, environmental and labor, and safety-related laws and regulations, and there are few illegal incidents
	★ ● There is a surplus in operating performance this year	★ ● In 2023, there will be an increase in inventory to be digested. possible loss Consumer demand is weak, the customer suspends placing orders or cancels some orders, and the business unit plans to actively develop new customers	◆ The Company formulates systems such as the code of integrity management, code of ethics, etc., and signs labor contracts and publicity training to prevent and reduce the probability of occurrence, and set up complaint mechanisms and channels to facilitate timely handling Reporting or media news reports of violations of integrity management or ethics will seriously affect The Company's reputation and image affect the customer's order single wish	● The Company has formulated risk management systems such as: "Continuous Supply Plan" and "Risk Analysis and Management Operation Procedures" to respond to the risks of the Company's operations and reduce the impact of risks after they occur If there is a business risk, the impact and loss on the enterprise will be assessed according to the size of the event, and hierarchical management will be carried out
Risk Assessment and the Management Measures				
	Please refer to this report 【 2. Corporate Governance and Integrity Management 】		Please refer to [2.3 Integrity Management, 2.4 Business Philosophy, Ethics and Compliance]	Please refer to [2.7 Risk Management System]

Probability of Risk Occurrence >>>

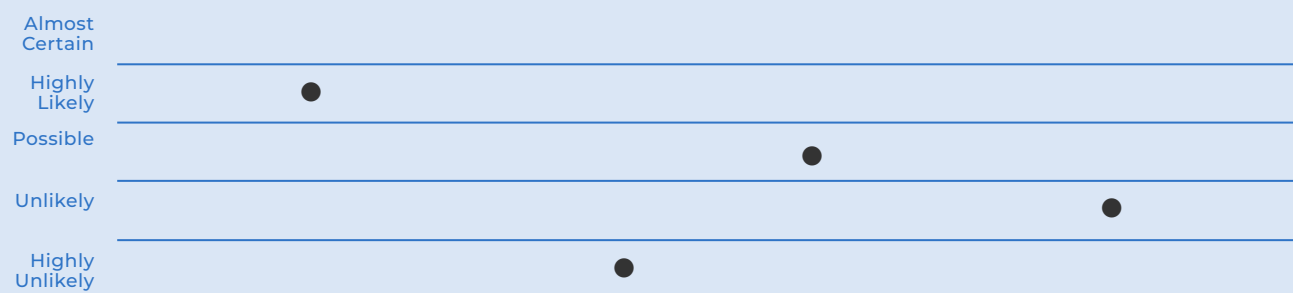
Almost Certain				
Highly Likely				●
Possible		●		
Unlikely			●	
Highly Unlikely	●			

Risk Severity >>>

Severe Disaster				
Severe				◆
Moderate			◆	
Mild		◆		
Very Mild	◆			

	Law to Follow	Shareholders' Equity	Labour Relations
Risk Consideration ★ Strategy ● Operation ◆ Hazard	<p>The Company abides by various laws and regulations, and operates with integrity as its policy</p> <p>● ◆</p>	<p>Operating performance surplus pay dividends</p> <p>★ ●</p>	<p>The Company establishes a harmonious labor-management relationship, attaches importance to the rights and interests of employees, listens to voices, and appeals mechanisms</p> <p>●</p>
	<p>The Company formulates the system of anti-corruption, bribery, and benefit avoidance, and strictly implements it to avoid corruption and bribery.</p> <p>If there is a situation of violating laws and regulations or operating in good faith, it will seriously affect the Company's reputation and image, and affect the willingness of customers to place orders</p> <p>Please refer to [2.3 Integrity Management, 2.4 Business Philosophy, Ethics and Compliance]</p>	<p>There is a surplus in operating performance this year</p> <p>In 2023, there will be an increase in inventory to be digested.</p> <p>Consumer demand is weak, the customer suspends placing orders or cancels some orders, and the business unit plans to actively develop new customers</p> <p>Please refer to [2. Corporate Governance and Integrity Management]</p>	<p>The Company has established labor-management conferences, employee welfare committees and other labor-management communication channels to promote harmonious labor-management relations, and has set up appeal mechanisms and channels to facilitate timely handling and resolution of labor-management disputes</p> <p>If there is a disharmonious labor-management relationship, it will affect departmental collaboration and efficiency at the least, and internal and external complaints at the worst, affecting corporate image</p> <p>Please refer to this report [6.5 Human Rights Protection: Listening to Employees' Voices]</p>

Probability of Risk Occurrence >>>



Risk Severity >>>



	Human Rights Protection	Health and Safety	Ethics	
Risk Consideration ★ Strategy ● Operation ◆ Hazard	<p>The Company complies with labor laws and RBA human rights guidelines, and no human rights violations have occurred</p> <p>● ◆</p>	<p>The Company abides by the "Occupational Safety and Health Work Code", implements hazard identification and risk assessment, and establishes a healthy and safe working environment</p> <p>●</p>	<p>The Company should abide by business ethics</p> <p>●</p>	<p>Employees should abide by professional ethics</p> <p>●</p>
	<p>Formulate "Work Rules" and "Sexual Harassment Prevention Measures, Complaints and Punishment Measures" and submit them to the Labor Bureau for approval, including provisions on human rights protection, forced labor and sexual harassment</p> <p>If a human rights violation occurs, it will affect departmental collaboration and efficiency at the least, and seriously affect the brand reputation</p> <p>Please refer to this report [6.5 Human Rights Protection: Listening to Employees' Voices]</p>	<p>The Company formulated the "Occupational Safety and Health Work Code" and its organizational staffing, and submitted it to the official for record, and passed the ISO 45001 occupational safety and health management system certification passed</p> <p>If a safety and health incident occurs, the employee may be injured and lose working hours, or the death may be serious occupational accident</p> <p>Improving within a time limit due to official sanctions, affecting reputation</p> <p>Please refer to [6.6 Workplace Health and Safety, 6.7 Health Care, 6.8 Health Promotion Activities]</p>	<p>Kinsus formulates the code of integrity management according to the law and other formulations for compliance</p> <p>If an enterprise or employee violates ethics and professional ethics, the official judgment or the employee will be punished. Punishment will seriously affect the Company's internal and external image and reputation</p> <p>Please refer to this report [6. Friendly Workplace]</p>	<p>We formulate systems such as "Work Rules" and professional ethics, for employee management to follow</p>

Probability of Risk Occurrence >>>

Almost Certain				
Highly Likely				
Possible		●		●
Unlikely				
Highly Unlikely	●		●	

Risk Severity >>>

Severe Disaster				
Severe				
Moderate				
Mild		◆		◆
Very Mild	◆		◆	

	Environmental Protection	Energy Conservation and Carbon Reduction	Product Quality and Delivery
Risk Consideration ★ Strategy ● Operation ◆ Hazard	<p>The Company complies with relevant environmental laws and regulations, and incidents of violating environmental laws rarely occur</p> <p>●</p>	<p>The Company complies with relevant environmental laws and regulations, effectively reduces electricity consumption and purchases green electricity</p> <p>● ◆</p>	<p>The quality and yield rate of the product is low and does not meet the customer's requirements</p> <p>● ◆</p>
Risk Assessment and the Management Measures	<p>The Company has passed the "ISO 14001 Environmental Management System" certification, and attaches great importance to environmental protection: waste water, waste gas, waste</p> <p>If there is a disharmonious labor-management relationship, it will affect departmental collaboration and efficiency at the least, and internal and external complaints at the worst, affecting corporate image</p> <p>Please refer to [5.1 Environmental Policies and Commitments, 5.2 Climate Change and Low-carbon Manufacturing]</p>	<p>The Company has passed the "ISO 14001 Environmental Management System" certification, effectively reducing electricity consumption, and cooperate with the government policy to purchase green electricity, regularly Sewage testing compliance, waste legal disposal</p> <p>In the event of illegal incidents, official sanctions will be imposed within a time limit and fined by the government. In serious cases, it will cause employee injuries and other occupational accidents, which will affect the Company's reputation</p> <p>Please refer to [5.1 Environmental Policies and Commitments, 5.2 Climate Change and Low-carbon Manufacturing]</p>	<p>If the yield rate of the product does not meet the customer's requirements, the customer will return the product or demand compensation, which will cause a great impact on the Company's financial loss and reputation</p> <p>the yield rate of the product manufacturing process, resulting in product scrapping and affecting Customers and Company Operations</p> <p>Please refer to [3.5 Product Quality and Delivery]</p>

Probability of Risk Occurrence >>>

Almost Certain

Highly Likely

Possible

Unlikely

Highly Unlikely

Risk Severity >>>

Severe Disaster

Severe

Moderate

Mild

Very Mild

	Customer Privacy	Customer Service and Satisfaction	
Risk Consideration ★ Strategy ● Operation ◆ Hazard	Companies should abide by laws and regulations and corporate ethics, and try their best to protect customer privacy and data <div style="text-align: center;">●</div>	Good customer service and high satisfaction <div style="text-align: center;">●</div>	Customers complain and are not satisfied <div style="text-align: center;">● ◆</div>
	KINSUS has formulated a code of business ethics and other regulations for compliance We try our best to protect the privacy of employees and customers In case of leakage of customer privacy, at least it will be punished by officials or employees, and at worst it will affect the Company's internal and external image and reputation, and affect customers' willingness to place orders Please refer to this report [3.4 Customer Privacy]	Kinsus regularly conducts customer satisfaction surveys and handles customer complaints in a timely manner Customers have complained about the handling or mishandling, have poor satisfaction and no follow-up orders If the customer service and satisfaction is poor, the customers might reduce future orders or cancel orders, in serious cases, which will affect the Company's operating performance Please refer to [3.3 Customer Operation and Service]	

Probability of Risk Occurrence >>>








Almost Certain	
Highly Likely	
Possible	●
Unlikely	
Highly Unlikely	●

Risk Severity >>>

Severe Disaster	
Severe	
Moderate	
Mild	◆
Very Mild	◆

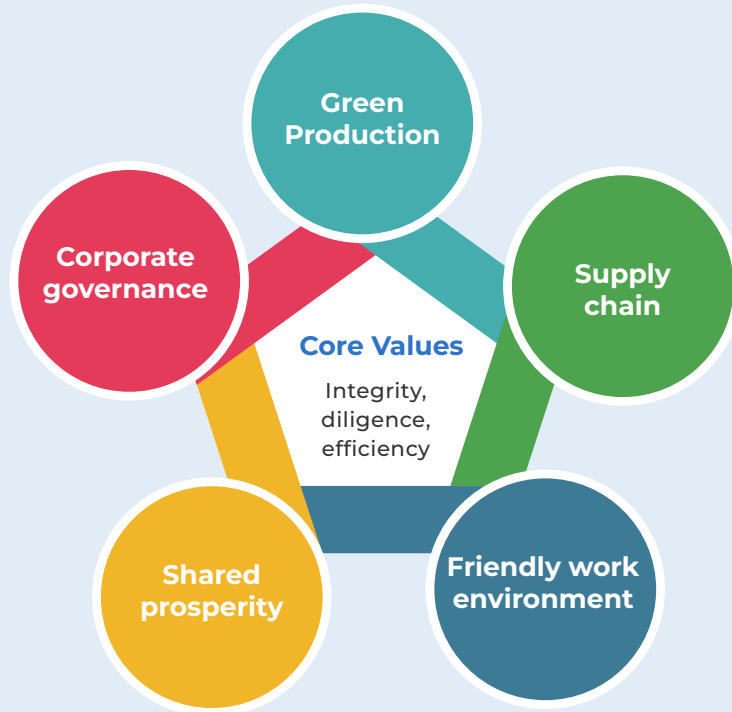
1.5 Fulfilling the United Nations Sustainable Development Goals

Kinsus Technology is committed to achieving the United Nations Sustainable Development Goals (SDGs) and continues to focus on six SDGs: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). Through economic, environmental, and social initiatives, KINSUS Technology sets its goals and management measures for 2022 to actively contribute to sustainable impact.

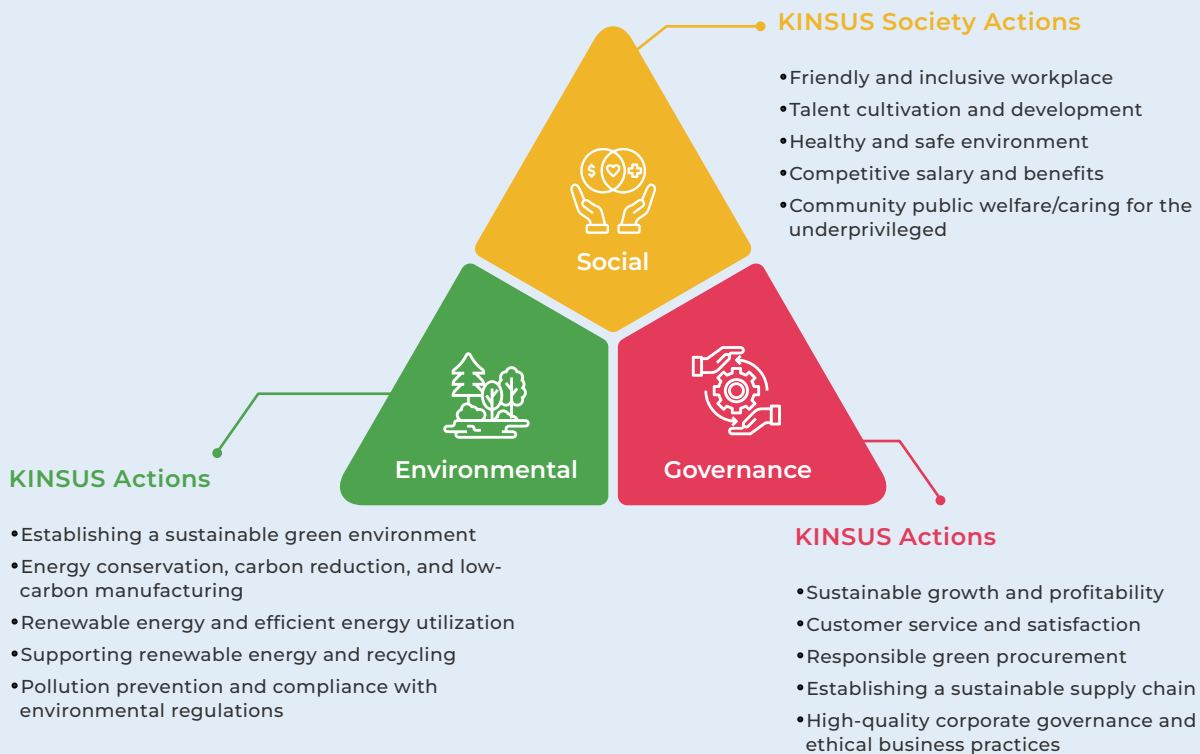
Company Goals	Management Measures	Corresponding to SDGs Goals	Corresponding Chapter
Economic side			
Correspondence to SDGs goals: 12 Responsible Consumption and Production 13 Climate Action			
Disclosing relevant information and cooperating with the government to promote corporate governance blueprint	Disclosure of Company non-financial information, refer to the international general report preparation standards and obtain third-party verification.		Summary and Scope of the Report
Addressing Climate Change and Energy Supply Risks, actively identify the risks brought by climate change, and continuously control the impact and damage of extreme weather on operations	Develop adaptation policies and solutions for real risks such as floods, typhoons, power outages, and rising temperatures, actively implement relevant countermeasures, ensure rapid recovery of operations following a disaster		2.7 Risk Management System 5 Climate change risk, TCFD and management, strategy and performance
Environment			
SDGs target correspondence: 06 Clean Water and Sanitation 13 Climate Action			
Promote water and energy conservation	In addition to water quality monitoring, the cooling water tower, process wastewater and water for people's livelihood and other categories, for waste water recycling.		5.4 Water Resource Management
Scope 1 and 2 introduce greenhouse gas scope 3 inventory and verification work	Obtain DNV Company inspection statement		5.2 Environmental Performance and Low-carbon Manufacturing 5.3 Renewable Energy and Resource Conservation/Efficiency
Social Aspect			
Correspondence to SDGs goals: 03 Health and Safety 04 Quality Education 05 Gender Equality			
Enhance the knowledge and skills of new and existing employees	The Company's common regulations such as personnel regulations, safety and health regulations and other important management regulations; entering the working environment is handed over to the supervisor for training at work, until no homework errors occur, to work independently, to ensure product and work quality		6.3 Talent Cultivation and Development
Promoting occupational safety and Health Self-inspection and management measures, prevent disasters in the factory and reduce risks	Based on the "ISO 45001 Occupational Safety and Health Management System" and relevant occupational safety laws and regulations, formulate occupational safety and health work rules, identify hazardous operations, establish independent inspection and safety operation standards, and prevent various potential hazardous accidents		6.6 Workplace Health and Safety 6.7 Health Care 6.8 Health Promotion Activities
Prohibition of gender discrimination in recruitment, appointment, salary, promotion, training, etc.	The Company's "Work Rules" are submitted to the Labor Bureau of the county and city government for approval and record. It clearly stipulates the prohibition of gender discrimination policies and systems		6.1 Talent Policy and Commitment

Kinsus's Sustainable Development Goals in the Direction and Actions of ESG Sustainability Report

1 The five major ESG directions are as follows:



2 The Company implements ESG actions:



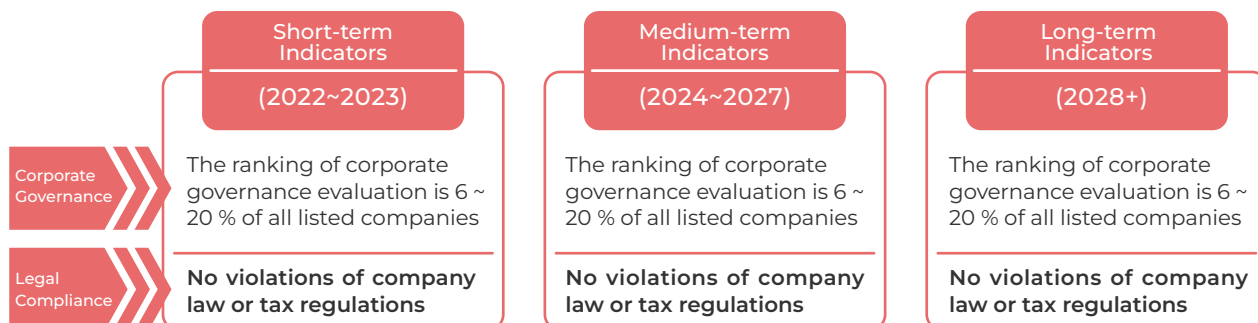


02

Corporate Governance & Integrity Management

- 2.1 Company at A Glance
- 2.2 Corporate Governance
- 2.3 Integrity Management
- 2.4 Business Philosophy, Ethics and Compliance
- 2.5 Internal Audit and Management Verification System
- 2.6 Information Security
- 2.7 Risk Management System
- 2.8 Affirmation and Glory

Kinsus has identified integrity in business operations, risk management, and compliance with regulations as material topics and objectives in terms of sustainable corporate governance. The short, medium, and long-term indicators for these material topics in sustainable corporate governance are as follows:



| The Objectives and Performance of Material Topics: Corporate Governance and Integrity Management

Kinsus is committed to corporate governance and sustainable business management, based on the principles of integrity, transparency, compliance with regulations, and improving operational performance. We strive to enhance internal controls, personnel management mechanisms, and obtain ISO management system certifications. We promote a high-quality corporate culture that aligns with our business philosophy and ethical standards. The material topics, objectives, and performance targets that we have set are as follows:

Corporate Governance

Goal of 2023	Goal of 2022	Performance Achievement of 2022
The ranking of corporate governance evaluation reaches 6~20% of all listed companies	The ranking of corporate governance evaluation is 6~20% of all listed companies	The ranking of corporate governance evaluation is 6~20% of all listed companies → Not achieved, will continue improving during 2023

Legal Compliance

Goal of 2023	Goal of 2022	Performance Achievement of 2022
No violations of Company Act or tax regulations	No violations of Company Act or tax regulations	No violations → Achieved



2.1 Company at A Glance

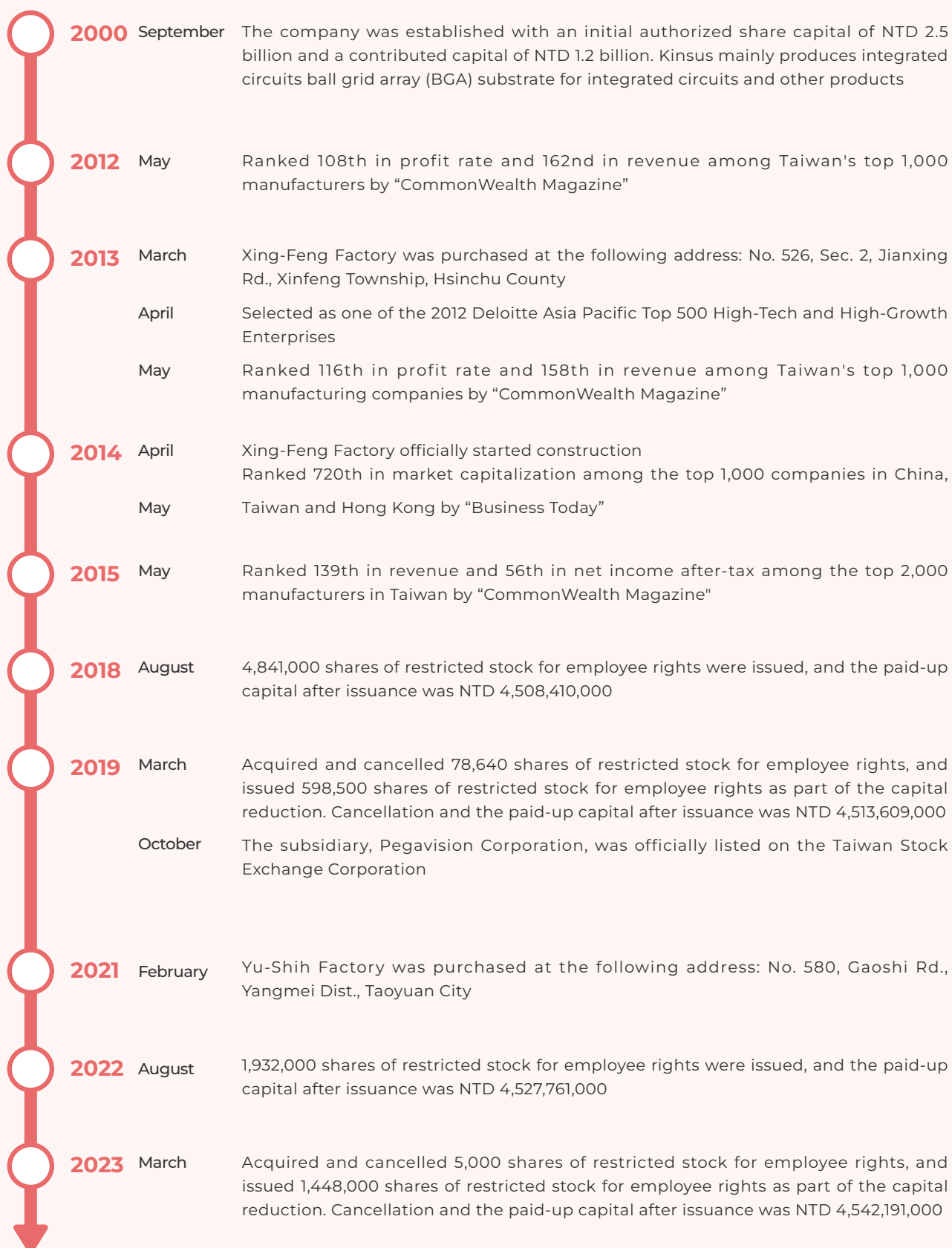
Kinsus Interconnect Technology Corp. was established in September 2000, with its headquarters located in Xinwu District, Taoyuan City. There are four factories in Taiwan: Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory and Yu-Shih Factory. These plants are primarily engaged in the manufacturing and sales of substrates for IC packaging.

Since the establishment, Kinsus has adhered to the concept of "satisfying customers and pursuing excellence" and is heading towards the research and development direction that leads the market in terms of technology. We aims to improve profits by surpassing competitors in technology and products, and we strive to grasp trends in order to develop new-generation products.

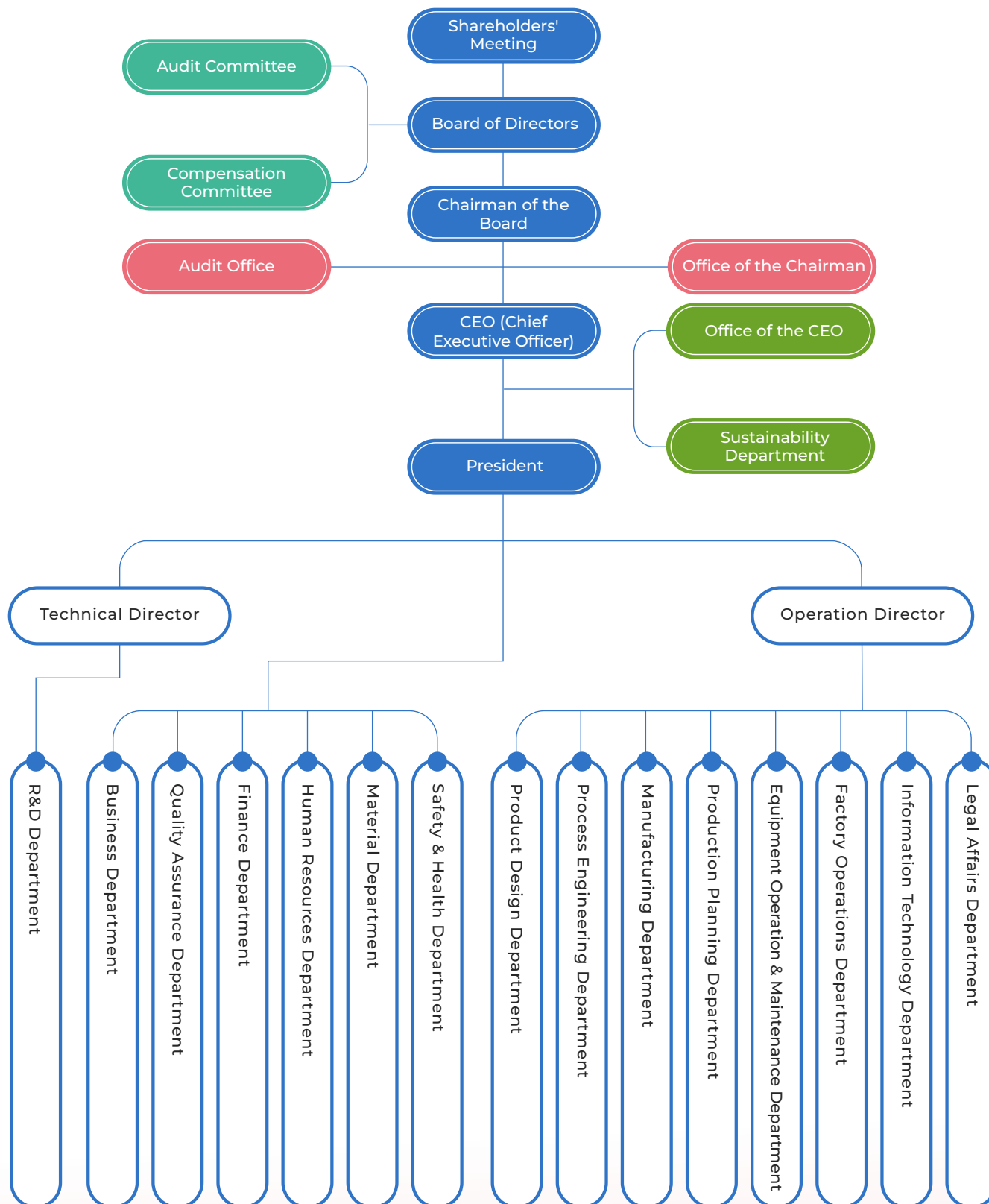
Company Name	Kinsus Interconnect Technology Corp.
Headquarters Location	No. 1245, Zhonghua Rd, Xinwu Dist., Taoyuan City
Establishment Date	September 2000
Chairman	Sih-Jheng Liao
CEO	Scott Chen
Capitalization	NTD 4,527,761,000 (2022.12.31)
Number of Employees	6,204 (2022.12.31)



2.1.1 Company Establishment and Key Events in the Last 10 Years



2.1.2 Organizational Structure



2.1.3 Business of Each Main Department

Department	Responsibilities
CEO and President	Comprehensively manage the company's business objectives, strategies and performance, formulate the company's long-term development policy, organize, supervise and promote the business promotion and implementation of various departments Responsible for the formulation of business plans, management and analysis of business performance, investment analysis and benefit evaluation, research and control of cost reduction, research and improvement of process automation, preparation of annual budgets, business management of overseas investment enterprises, promotion and planning of other important projects performance evaluation, research and analysis of process capacity and standard working hours, and formulation of rationalization standards for process personnel
Sustainability Department	Responsible for promoting the company's three sustainable management goals in terms of environment, society and corporate governance, implementing net zero carbon emissions, renewable energy, and developing green substrates
Audit Office	Conduct audits and provide improvement suggestions for related systems and implementations such as the company's internal rules and procedures
Technical Director	Advanced product development, equipment automation, new plant equipment construction planning
Chief Operating Director	Responsible for the overall planning and management of integrated production and manufacturing quality, operational resources, and planning and execution of network information
Safety & Health Department	Responsible for environmental protection, safety and health management and industrial safety control
Manufacturing Department	Responsible for the achievement of work objectives, performance management, analysis and improvement of manufacturing cost control, and production strategy planning for each department of substrate-related product manufacturing in each plant
Process Engineering Department	Responsible for evaluating process operations, formulating optimal manufacturing processes, improving production technology and improving yield analysis, introducing stability and optimizing testing for new product processes
Equipment Operation & Maintenance Department	Responsible for the management and maintenance of production equipment in the factories
Factory Affairs Department	Responsible for the integrated operation management of factory facilities maintenance and plant safety maintenance
Production Planning Department	Responsible for production planning and operational efficiency management
Product Design Department	Responsible for product design and integration
Business Department	Responsible for sales and marketing of the company's products
Quality Assurance Department	Responsible for the formulation and implementation of quality policies, objectives and systems to ensure product quality and reliability to meet customer's needs
R&D Department	Responsible for coordinating products, design, development and factory affairs
Financial Department	Responsible for financial accounting and stock affairs-related business
Material Department	Responsible for production scheduling, shipping scheduling, raw material management, transportation, warehousing, import and export and customs bonded business
Information Technology Department	Responsible for the establishment and maintenance of various software and hardware of the information system
Human Resources Department	Organize human resources planning, recruitment and appointment, salary management, training and development, employee services and employee relationship
Legal Affairs and Intellectual Property Department	Review various contracts, handle legal proceedings and compliance with laws and regulations, and manage intellectual property rights such as patents

2.2 Corporate Governance

Material Topics: Corporate Governance and Shareholder Rights

Management Guidelines

- **Corporate Governance Policy:** Comply with the Company Act and relevant business regulations, and allow the company's board of directors to operate normally
- **Shareholders' rights and interests' policy:** operating profit without loss, ensuring shareholders' rights and interests
- **Goals and targets:** the key issues for the successful operation of enterprises, and the governance system jointly supported by managers, employees and shareholders
- **Commitment:** Use due diligence and early warning communication methods to implement the company's principles and protect stakeholders' benefits
- **Management measures:**
 - (1) Establish a "Corporate Governance Principles" system to ensure the structure, agenda and obligations of the Board of Directors
 - (2) Comply with legal norms and requirements, and perfect the members of the Board of Directors
 - (3) In order to seek professionalism in business decision-making, the composition of the Board of Directors has diverse academic experience
 - (4) Adhere to integrity management and commit to sustainable governance to create value for shareholders
 - (5) Update important news any time in Market Observation Post System to protect shareholders' rights

Responsibility

- **External Liability:** Company Act, Securities and Exchange Act, Business Entity Accounting Act
- **Internal system:** Integrity Management Operating Procedures and Principles of Conduct Guidelines, Endorsement Guarantee Operating Procedures, Capital Loans to Others Personnel Operating Procedures, Procedures for Acquiring or Disposing of Assets, Company Articles of Association, Ethical Principles of Conduct, Integrity Management Principles, Principles of Practice for Corporate Governance, Principles of Practice for Corporate Social Responsibility, Operational Procedures for Preventing Insider Trading

Performance

- The 2022 corporate governance evaluation result was 21% ~35%. There were no incidents corrected by the stock exchange in 2022
- The average attendance rate of the Board of Directors in 2022 reached 97.78%
- The 2021 corporate governance assessment results were 6 % ~ 20 %

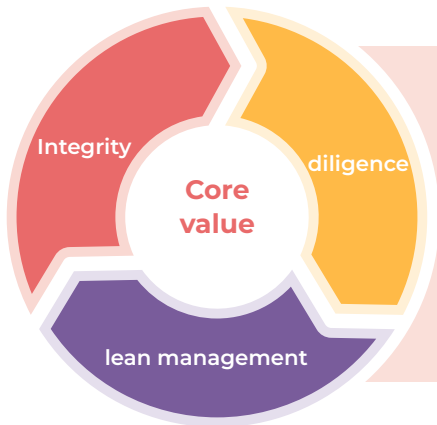
Based on the concept of integrity, diligent, and efficiency, Kinsus strives for sustainable and stable operation, and focuses on the potential development of employees, cultivates the tacit understanding of cooperation and innovation ability, and then builds an excellent team that is simple and can exert great effectiveness for the enterprise, continuously injecting new competitive niches into the enterprise, becoming the benchmark of the industry.

Since the establishment, Kinsus has been committed to providing customers with high-quality and efficient services, fostering a simple and uncomplicated corporate culture, and striving to become a leading company with high growth and high performance.



▲ The 2022 (111) annual shareholders' meeting

2.2.1 Core Value and Corporate Vision



Core value: Integrity, diligence, and lean management, the right way of steady operation.

Cultivate and stimulate the unlimited potential of employees, and jointly create excellent team performance.

Continuous improvement, and strive to maximize customer satisfaction.

Joining the world-class green high-tech leadership group, and making real contribution for the human society and environment.

2.2.2 Governance Department

Board of Directors

The Chairman of Kinsus is Mr. Sih-Jheng Liao, and the general manager is Mr. Scott Chen. Kinsus held the eighth director election at the annual general meeting of shareholders on July 12, 2021, and held a board meeting on the same day to elect the new Chairman as Mr. Sih-Jheng Liao. The Board of Directors of Kinsus has 9 directors, including 3 independent directors. The election of directors adopts a candidate nomination system which should include professional or management backgrounds, such as electronics, computer communications, financial accounting, and business management, and the Board of Directors will propose director candidates List of directors. Directors' remuneration shall be appropriated in accordance with the company's operating conditions and the Articles of Association, and the distribution shall be reported to the shareholders' annual meeting.

The company's directors with employee status account for 56%, independent directors account for 33%, and female directors account for 11%; one independent director has a tenure of less than 3 years, and two independent directors have a high degree of professional governance and business management ability, so the tenure of directors is more than 9 years; 4 directors are over 70 years old, 3 directors are 61-69 years old, and 2 directors are under 60 years old. The average age of directors is over 50 years old.

The Board of Directors operates in accordance with the "Board Meeting Rules." They convene board meetings at least once every quarter to thoroughly review the company's operational performance and discuss future development strategies. The directors adhere to a high level of self-discipline. If an agenda item involves their own interests, they follow the provisions of Article 32 of the "Board Meeting Rules" and "Decision-Making Procedures" in the "Principles of Practice for Corporate Governance". Article 32 states that "Directors of the company should exercise a high level of self-discipline. If a director or a legal entity represented by a director has an interest in an agenda item listed at a board meeting, they should explain the important details of their interest at the meeting. If there is a risk of harm to the company's interests, they shall not participate in the discussion and voting, and they should abstain from discussion and voting, and shall not exercise the voting rights of other directors on their behalf. The matters for directors to abstain from shall be clearly stipulated in the board meeting rules."

The responsibilities of our company's board of directors include:

1. Auditing the company's operational plans.
2. Auditing the annual and semi-annual financial reports.
3. Establishing or amending internal control systems and assessing their effectiveness.
4. Establishing or revising procedures for significant financial transactions such as acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsing or guaranteeing for others.

5. Auditing the issuance, offering, or private placement of equity-related securities.
6. Appointing or dismissing the heads of finance, accounting, or internal audit departments.
7. Auditing donations to related parties or significant donations to non-related parties.
8. Promoting the vision, strategy, and timeline verification for sustainable operations.
9. According to Article 14-3 of the "Securities and Exchange Act", other laws and regulations, specified matters should be submitted to the shareholders' meeting or the Board of Directors for approvals.

Education Background of Board Members

Job Title	Name	Gender	Main Experience (education)
Chairman and Deputy Chief Strategy Officer	Sih-Jheng Liao	Male	Tatung Institute of Technology, Honorary Doctor of Business Chief Operating Officer of Pegatron Corp.
Director and Chief Strategy Officer	Zi-Xian Tong	Male	Electrical Engineering, National Taipei University of Technology Chairman of Pegatron Corporation
Director	Peter Kuo	Male	Electrical Engineering, National Taipei University of Technology President of Unicap Electronics
Director and President	Scott Chen	Male	Physics, National Tsing Hua University General Manager of Kinsus Interconnect Technology Corp.
Director	Asuspower Investment Co. Ltd. Representative: Jeff Chang	-	Mechanical Engineering, National Central University Equipment Design Manager, Manz AG Taiwan
Director	Jeff Chang	Male	Same as the above
Director	Asustek Investment Co. Ltd. Representative: Shirley Hu	-	Chemical Engineering, Chung Yuan Christian University General manager of Triopd Technology
Director	Shirley Hu	Female	Same as the above
Independent Director	Hui-Huang Wu	Male	Director and President of Universal Scientific Industrial Co. Director of the Taiwan Electrical and Electronic Manufacturer's Association
Independent Director	Jin-Cai Chen	Male	Public Administration, University of San Francisco Group Chairman of Namchow Group
Independent Director	Ming-Yu Lee	Male	Master of Accounting Institute Partner of Hongdao & Company

Further Study Status of Members of the Board of Directors

In addition to members of the Board of Directors having relevant industrial background and practical experience in operation and management, in 2022, all directors of the company will follow the regulations of "Implementation Points of Training for Directors and Supervisors of Listed OTC Companies" and disclose them regularly. Course content includes financial accounting, financial laws, regulations, ESG and professional ethics and legal responsibilities, etc., the study hours for directors are as follows:

Job title	Name	2022 Advanced Study Hours
Chairman	Sih-Jheng Liao	12
Director	Zi-Xian Tong	12
Director	Peter Kuo	12
Director	Scott Chen	6
Director	Asuspower Investment Co. Ltd. Representative: Jeff Chang	-
Director	Jeff Chang	6
Director	Asustek Investment Co. Ltd. Representative: Shirley Hu	-
Director	Shirley Hu	6
Independent Director	Hui-Huang Wu	9
Independent Director	Jin-Cai Chen	13.5
Independent Director	Ming-Yu Lee	6

Diversification of the Board of Directors

The background of the members of the Board of Directors of the company covers professional fields such as operational management, computer communication, physics, chemical engineering, machinery, electronic engineering and financial accounting, and they have the knowledge, skills and accomplishments necessary to perform their duties, including operational judgment, industry experience, leadership decision-making and operational judgment, etc.

Director Name \ Diversity Items	Operational Manag	Accounting	Business	Crisis Management	Industry Knowledge	Internationality Market View	Lead Decision Making	Operational Judgment
Sih-Jheng Liao	✓		✓	✓	✓	✓	✓	✓
Zi-Xian Tong	✓		✓	✓	✓	✓	✓	✓
Peter Kuo	✓		✓	✓	✓	✓	✓	✓
Scott Chen	✓		✓	✓	✓	✓	✓	✓
Jeff Chang	✓		✓	✓	✓	✓	✓	✓
Shirley Hu	✓		✓	✓	✓	✓	✓	✓
Hui-Huang Wu	✓		✓	✓	✓	✓	✓	✓
Jin-Cai Chen	✓	✓	✓	✓	✓	✓	✓	✓
Ming-Yu Lee	✓	✓	✓	✓	✓	✓	✓	✓

Director Remuneration

According to Article 24 of Kinsus' bylaws, if the company generates profits in a given fiscal year, a maximum of 1% shall be allocated for director remuneration. The proposal for the distribution of director remuneration should be presented in the annual shareholder meeting report. Kinsus has established the "Director Remuneration Payment Regulations," which stipulate that directors and independent directors who do not hold positions within the group receive fixed compensation regardless of the company's financial performance. For directors who hold positions within the group, their remuneration is calculated based on their position within the company, representation as a director of subsidiary companies, and their level of involvement in the company's operations, taking into account a comprehensive assessment. Reasonable compensation is provided accordingly. The proposed director remuneration, as mentioned above, is subjected to the recommendation of the Compensation Committee and subsequent approval by the Board of Directors in accordance with the regulations.

Operation of the Board

In 2022, the Board of Directors held a total of 5 meetings. The attendance of directors is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Chairman	Sih-Jheng Liao	5	0	100%
Director	Zi-Xian Tong	5	0	100%
Director	Peter Kuo	5	0	100%
Director	Scott Chen	5	0	100%
Director	Jeff Chang	5	0	100%
Director	Shirley Hu	5	0	100%
Independent Director	Hui-Huang Wu	5	0	100%
Independent Director	Jin-Cai Chen	4	1	80%
Independent Director	Ming-Yu Lee	5	0	100%
Average Attendance:		--	--	97.78%

Audit Committee

Effective internal control systems and audits are the foundation of corporate governance. To maintain the integrity of the company's internal control, accounting, and financial independence, Kinsus established the Audit Committee in 2012 in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed of all independent directors as required by law. The Board of Directors formulated the "Audit Committee Charter" in compliance with relevant regulations for the guidance and operation of the Audit Committee. The Audit Committee consists of three independent directors: Hui-Huang Wu, Jin-Cai Chen, and Ming-Yu Lee.

In accordance with the regulations, the Audit Committee meets at least once every quarter and is responsible for reviewing the appropriateness of expressing financial statements, appointing or remunerating auditors and ensuring their independence, ensuring the effective implementation of internal control within the company, ensuring compliance with relevant laws and regulations, and managing existing or potential risks within the company.

Matters considered by the Audit Committee mainly include:

1. Revise the internal control system and assess the effectiveness of the internal control system.
2. Amending the acquisition or disposal of assets, engaging in derivatives transactions, lending funds to others, endorsing or providing guarantees for others, procedures for handling major financial and business activities of the certificate.
3. Significant asset or derivative commodity transactions, significant capital lending, endorsement or provision of guarantees.
4. Issuance of securities with the nature of equity.
5. Independent assessment, appointment, dismissal or remuneration of certified accountants.
6. Appointment and dismissal of financial, accounting or internal audit supervisors.
7. Financial statements.
8. Proposals on business reports, profit distribution or loss compensation.

In 2022, the Audit Committee held a total of 5 meetings, and the attendance status is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	5	0	100%
Member	Jin-Cai Chen	4	1	80%
Member	Ming-Yu Lee	5	0	100%
Average Attendance:		--	--	93.33%

Compensation Committee

According to Article 14-6 of the Securities and Exchange Law, Kinsus set up the Compensation Committee in 2011. The company's board of directors resolved to appoint members of the fifth Compensation Committee on July 12, 2021. The term of office of the current committee is July 2021. From July 12 to July 11, 2024, it is composed of the Convener and the Independent Director, Hui-Huang Wu; the Independent Director, Jin-Cai Chen; and the Independent Director, Ming-Yu Lee.

The terms of reference of the Compensation Committee are as follows, and the proposed recommendations will be submitted to the Board of Directors for discussion:

1. Regularly review this regulation and propose amendments.
2. Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers of the company.
3. Regularly evaluate and determine the remuneration of directors and managers of the company.

In 2022, the Compensation Committee held a total of 4 meetings, and the attendance status is as follows:

Job Title	Name	Actual Attendance Frequency	Entrusted Attendance Frequency	Actual Attendance Rate (%)
Convener	Hui-Huang Wu	4	0	100%
Member	Jin-Cai Chen	3	1	75%
Member	Ming-Yu Lee	4	0	100%
Average Attendance:		--	--	91.67%

Corporate governance evaluation and improvement goals

This year's corporate governance evaluation result is 21% ~35%, the priority improvement items and measures as follows:

1. In 2023, it is expected to appoint an external professional independent institution or external experts and scholars to perform the performance evaluation of the Board of Directors, and disclose the implementation status and evaluation results on Kinsus' website or annual report.
2. At present, there are 3 independent directors in the company, 1 of which has a tenure of less than 3 years, and 2 independent directors have a term of more than 9 years because of their high professional governance and management capabilities. In order to improve the effectiveness of the Board of Directors and enable independent directors to be objective exercising powers, the future reelection will consider the tenure of independent directors, so as to achieve the goal of independent directors serving no more than three consecutive terms.
3. In order to be in line with international standards, an English version of the ESG report is planned to be issued in the future.

Information Disclosure

Kinsus has an official website (<http://www.kinsus.com.tw/>), which discloses the company's basic information, products and financial information, and has a spokesperson and a proxy spokesperson who are responsible for handling and responding to matters related to shareholders' rights and interests, except irregularly hold briefing sessions for legal persons, or through investment forums held by legal persons, announce and explain the operating conditions and future prospects in the meetings, and upload relevant information to the "Market Observation Post System" for the reference of stakeholders. In addition, Kinsus regularly discloses information about our business activities, organizational structure, financial condition and operating performance in accordance with relevant applicable regulations and prevailing industry practices.

2.3 Integrity Management

Kinsus engages in business activities based on the principles of fairness, **honesty, trustworthiness, and transparency**. In order to implement the integrity management policy and actively prevent dishonest behavior, in accordance with the "Principles of Integrity Management of Listed OTC Companies" and the relevant laws and regulations of the company and the group where the company operates, establish integrity management operating procedures and behavior guidelines to specifically regulate the matters that the company's personnel should pay attention to when performing business.

Kinsus designates the Human Resources Department as a dedicated unit, and allocates sufficient resources and qualifies personnel to handle the revision, implementation, interpretation, consulting services and notification content registration and filing of the operating procedures and behavior guidelines and other related operations and supervision. The Human Resources Department is in charge of the following matters:

1. Assisting in the integration of integrity and moral values into the company's business strategy, and cooperating with laws and regulations to formulate relevant anti-fraud measures to ensure honest management.
2. Analyzing and assessing the risk of dishonest behavior within the scope of business from time to time, and formulating a plan for preventing dishonest behavior based on this, and formulating standard operating procedures and behavior guidelines related to work and business in each project.
3. Planning the internal organization, staffing, and responsibilities, and establishing mechanisms for mutual supervision, checks and balances for business activities within the scope of business with a relatively high risk of dishonesty.
4. Promotion and coordination of integrity policy publicity and training.
5. Planning the reporting system to ensure the effectiveness of implementation.

6. Assisting the Board of Directors and the management to check and evaluate whether the preventive measures established in the implementation of integrity management are operating effectively, and regularly evaluate the compliance status of relevant business processes and prepare reports.
7. Preparing and properly preserving the integrity management policy and its compliance statement, implementation and execution status and other relevant documented information.

2.3.1 Integrity Management Business Operations

Before Kinsus establishes commercial relationships with others, Kinsus should firstly evaluate the legitimacy of agents, suppliers, customers or other business contacts, integrity management policies, and whether they have ever been involved in dishonest behavior records, so as to ensure the fairness of their business operations, transparent and will not ask for offer or accept bribes.

When Kinsus conducts the assessment in the preceding paragraph, it may adopt appropriate inspection procedures to examine its business contacts with regard to the following items, so as to understand their integrity management status:

1. The company's country, place of operation, organizational structure, operating policies, and place of payment.
2. Does the enterprise have established a policy of integrity management and its implementation?
3. Does the place where the enterprise operates belong to a country with a high risk of corruption?
4. Is the business of the enterprise an industry with a high risk of bribery?
5. The long-term operating conditions and goodwill of the enterprise.
6. To consult its business partners for their opinions on the company.
7. Does the enterprise have ever been involved in dishonest acts such as bribery or illegal political donations?

2.3.2 Implementation Results

Kinsus conducts regular employee education and training, including the promotion of the concept of integrity management, and the establishment of anonymous reporting channels for colleagues to understand and abide by, and to improve the effectiveness of the company's implementation of integrity management.

Unit: person

Year Category	2021	2022
New Recruits	849	1,283
Existing Staff	5,575	6,204

Report / Complaint Mechanism

Kinsus focuses on respecting human rights, protecting intellectual property, and preventing improper benefit transmission from harming the rights and interests of the company, customers and suppliers. In order to ensure the implementation of integrity management, Kinsus has set up an independent audit department to perform internal audit operations on a regular or irregular basis every year, and set up a convenient and smooth complaint channel for internal and external stakeholders to report and respond appropriately, so as to reduce the company's operational risks and establish a good interaction model with stakeholders.

Implementation results in 2022: No supervisor or employee violated the principle of integrity.

2.4 Business Philosophy, Ethics and Compliance

2.4.1 Business Philosophy

The core value of the company : **integrity, diligence, and lean management**, that is, the business philosophy, and the pursuit of profit and surplus as the biggest goal. Kinsus is committed to ensuring the company's information transparency, creating higher added value of products, and striving to improve team professionalism and leadership management ability to continuously improve operational performance.

2.4.2 Ethics and Compliance

Policy: Comply with corporate ethics, professional ethics and laws and regulations

Management Guidelines

Goal and target: the process of continuous growth and sustainable operation, achieving economic scale and improving the overall competitiveness of the enterprise. The process complies with ethics and economics, environment and labor, safety and health related laws and regulations, as well as corporate ethics and professional ethics.

Commitment: Use due diligence and early warning communication methods to abide by corporate ethics, professional ethics and legal compliance. Also, protect the rights and interests of stakeholders.

Management measures:

- (1) Establish an effective internal control system and management system to implement the company's clean and integrity management.
- (2) Comply with relevant laws, regulations and requirements, and cooperate with the government to jointly promote the sustainable development of the electronics manufacturing industry.
- (3) Pay attention to corporate ethics and employee professional ethics, and respect intellectual property rights and privacy of individuals or customers.
- (4) Strengthen communication with all stakeholders, and strive to meet the expectations of stakeholders for the company's sustainable operation.

Kinsus values the integrity and honesty of its employees. To uphold these principles, the company has established various policies and procedures, including the "Principles of Ethics," "Professional Principles of Conduct," "Integrity Management Procedures," and "Operational Procedures for Preventing Insider Trading." The "Principles of Ethics" is signed by the Chairman of the Board and is publicly disseminated through the company's official website (<https://www.kinsus.com.tw/zh-TW/Download/csr-policies>) and posted internally. It is used to promote corporate social responsibility and ethics-related education and training within the organization. Furthermore, all new employees are required to sign the "Commitment to Integrity, Honesty, and Confidentiality" upon joining the company, aiming to prevent any corrupt practices.

New recruits in the last two years: the number of people promoted through the RBA:

Factory Year	Plants				Total
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Yu-Shih Factory	
2021	178	302	694	109	1,283
2022	286	563	1,103	176	2,128

The number of people to communicated in 2021: 178 people in Shih-Lei Factory, 302 people in Tsing-Hua Factory, 694 people in Xing-Feng Factory, 109 people in Yu-Shih Factory, with a total of 1,283 people.

The number of people who communicated in 2022: 286 people in Shih-Lei Factory, 563 people in Tsing-Hua Factory, 1,103 people in Xing-Feng Factory, 176 people in Yu-Shih Factory, with a total of 2,128 people.

All business partners who deal with each other also follow the "Principles of Ethics," Professional Principles of Conduct, "and "Integrity Management Procedures," which express the highest standard of integrity and implement the corporate culture and business philosophy of "integrity management".

Anti-Bribery and Anti-Corruption

Kinsus has established the "Integrity Management Procedures" to ensure the normal business operation, maintain fair competition, and regulate commercial purchasing and sales activities. These procedures prohibit any form of corruption, extortion, embezzlement, or other illicit practices. They clearly define the guidelines for all of Kinsus' business activities and interactions with external parties. This includes engagements with government departments, negotiations with customer representatives for orders, customer quality control inspections, impartial product testing, quality control audits, and other related activities. The procedures explicitly forbid the provision or acceptance of improper gains, such as kickbacks, promotional fees, advertising expenses, service fees, reimbursement of various costs, or the provision of domestic or international travel, either directly or indirectly, outside of the transaction.

In 2022, Kinsus conducted a corruption and bribery risk assessment for all operational locations through the RBA self-assessment questionnaire. The assessment results indicated no significant corruption or bribery risks and no incidents of bribery or corruption occurred.

2.4.3 Compliance

Kinsus adheres to laws and regulations, regularly collects and consolidates relevant legal requirements for examination. In case of any additions or revisions, the responsible units promptly review the existing business models and practices for compliance and assist in disseminating government regulations to all departments. To safeguard the company's legal rights and interests, Kinsus organizes legal courses, creates legal materials, and enhances employees' legal knowledge.

The following table shows whether the company had any violations of relevant important legal sources, internal regulations, or procedures in relation to corporate governance, environment, economic, and social regulations in 2022:

Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2022
Corporate Governance	The Company Act, the Principles of Practice for Corporate Governance, the Principles of Integrity Management of Listed OTC Companies, the Articles of Association of the Audit Committee, the Organization Rules of the Compensation Committee	The Company Articles of Association, the Code of Business Conduct, the Code of Integrity Management and Measures for Reporting and Complaints	Kinsus acted in accordance with the law, so no major monetary fines or other non-monetary penalties have been imposed.
Employee Labor rights and conditions	The Labor Standards Act, the Employment Service Act, the Gender Equality in Employment Act, the Labor Insurance Act, the Labor Pension Act, the National Health Insurance Act, the Employee Welfare Fund Act, the Rules of Absence for Workers, the Implementation Measures for Labor-Management Meetings, etc.	Approval of work rules Labor-management conference representative list verification The Appointment Operating Procedures, the Resignation Management Procedures, the Salary Management Procedures, the Employee Rewards and Punishments Action Guidelines, etc. Labor human rights test for new recruits	Kinsus complied with the relevant laws and regulations of the Labor Standards Act and did not been punished for violating the Labor Standards Act or labor disputes. No labor incidents happened in the company's operating bases and important suppliers.
Health and Safety	The Occupational Safety and Health Act, the Enforcement Rules of Occupational Safety and Health Act, the Rules for Labor Health Protection, the Rules for Labor Safety and Health Facilities, the Rules for Labor Safety and Health Education and Training, etc.	Occupational Safety and Health Code of Practice Verification Occupational safety and health organization and personnel verification ISO 45001 Occupational Health Management System and related procedures	In 2022, two occupational accidents were punished by labor inspection

Category	Relevant Important Sources of Law in Taiwan	The company's Corresponding Measures or Procedures	Violations in 2022
Environment	The Basic Environmental Act, the Climate Change Response Act, the Waste Disposal Act, the Resource Recycling Act, the Air Pollution Control Act, the Noise Control Act, the Drinking Water Management Regulations, the Effluent Standards, the Water Pollution Control Act and its implementation rules, etc.	ISO 14001 Environmental Management System and related procedures, SOP and forms, including waste treatment procedures, noise control procedures, drinking water management procedures, wastewater management procedures, etc. Implementation of ISO 14064 Greenhouse Gas Inventory System and Issuance of Greenhouse Gas Inventory Report	Kinsus complied with environmental acts and regulations, there was no violation of environmental acts and regulations and was sanctioned
Economy ----- Society	The Fair Trade Act, the Patent Act, the Copyright Act, the Intellectual Property Act, the Trade Secret Protection Act, the Computer Processing Personal Data Protection Act, etc. The Civil Code, the Communicable Disease Control Act, the Sexual Harassment Prevention Act	Labor contract, code of professional ethics Personnel related management system	Kinsus had no record of violating economic and social regulations and did not been fined
Product	The Fair Trading Act, the Computer Processing Personal Data Protection Act QC 080000 Hazardous Substance Process Management System	ISO 9001 Quality Management System and related procedures, SOP and forms, implemented QC 080000 or RoHs system , effective control hazardous substances to meet international standards and to avoid harming consumers	Kinsus did not been fined and compensated by customers for leaking customer privacy. Kinsus complied with the marketing and communication act and had no violations of laws and regulations. Also, no violations of health and safety regulations for products and services

2022, two occupational accidents were punished by the labor inspection, and the improvement was completed and closed in accordance with the official requirements. In the future, the correct legal information will be disseminated to colleagues through educational training and internal meetings.

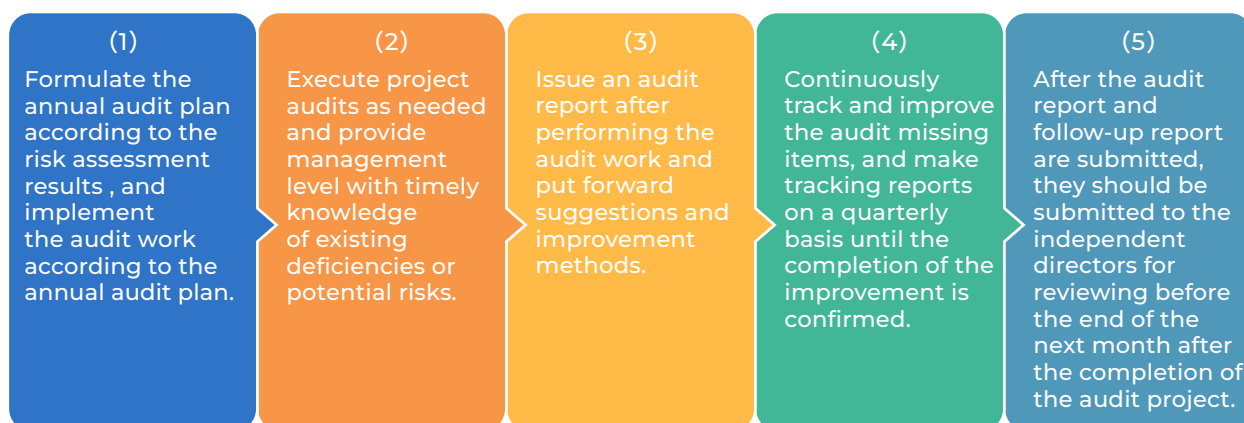
2.5 Internal Audit and Management Verification System

2.5.1 Internal Audit

In order to fully examine and evaluate the effectiveness of internal control, measure the effectiveness and efficiency of operations, the reliability of reports, and real-time efficiency, transparency and compliance with laws and regulations, Kinsus has set up an independent internal audit unit, the Audit office, which is belonging to the Board of Directors.



Audit process



The audit work is conducted based on the results of risk assessment. An annual audit plan is formulated and executed after approval by the Board of Directors. The purpose of the audit is to provide management level with information on the operation status of internal controls. Special audits are carried out as necessary. Any deficiencies identified are communicated effectively with the audited units, allowing the management level to understand the current deficiencies or potential risks.

After conducting the audit procedures, the internal audit department prepares written audit reports and follow-up reports. In addition to regular reporting to the Board of Directors during quarterly meetings, they also report to the Chairman and the Audit Committee on a monthly basis or as necessary.

In the year 2022, there were no significant internal control deficiencies identified. The statement of effective internal control system was disclosed in the annual report, and the necessary regulatory filings were made in accordance with the applicable laws and regulations.

Audit operation management uses P-D-C-A to manage the operation cycle operation as shown in the figure below:



2.5.2 Internal Management System

The Board of Directors and management of Kinsus establish internal management systems in accordance with the "Guidelines for Establishing Internal Control Systems for Publicly Traded Companies" and relevant legal regulations to enhance operational effectiveness and product quality.

The internal management system is mainly divided into the following three items:

(1) Internal control system

The internal control system covers the entire operations of the company, including the functions related to planning, organizing, and controlling in the management aspect, as well as the nine major cyclic procedures and standard measures adopted in the areas of sales, production, procurement, financing, payroll, fixed assets, computer information, investment, and research and development. These are all within the scope of the internal control system. The main objective is to achieve "facilitating effective operational activities within the organization."

(2) ISO Management System

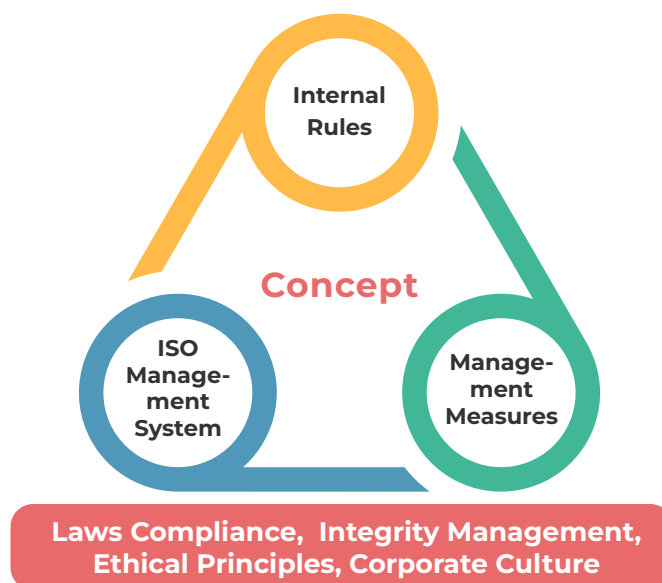
To address issues related to production, quality, and the environment, the company has established ISO management systems. Currently, Kinsus has obtained the following ISO certifications: ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety management, and ISO 14064 for self-assessment of greenhouse gas emissions.

(3) Various Management Measures

For high operational risk items such as personnel management system, credit management operations, and expense approval authority, Kinsus has established relevant management procedures to mitigate operational risks.

The three internal control management systems, including the internal control system, ISO management systems, and various management procedures, are based on compliance with regulations, integrity in business operations, ethical values, corporate culture, and business philosophy. These systems ensure the effective operation and continuous improvement of the organization. They also align with Kinsus' commitment to sustainable business practices, and aim to enhance operational efficiency, product quality, and value-added services, ultimately achieve the company's vision and mission of sustainable business operations.

The diagram of the internal control management system is as follows:



2.6 Information Security

Information Security Risk Management Framework

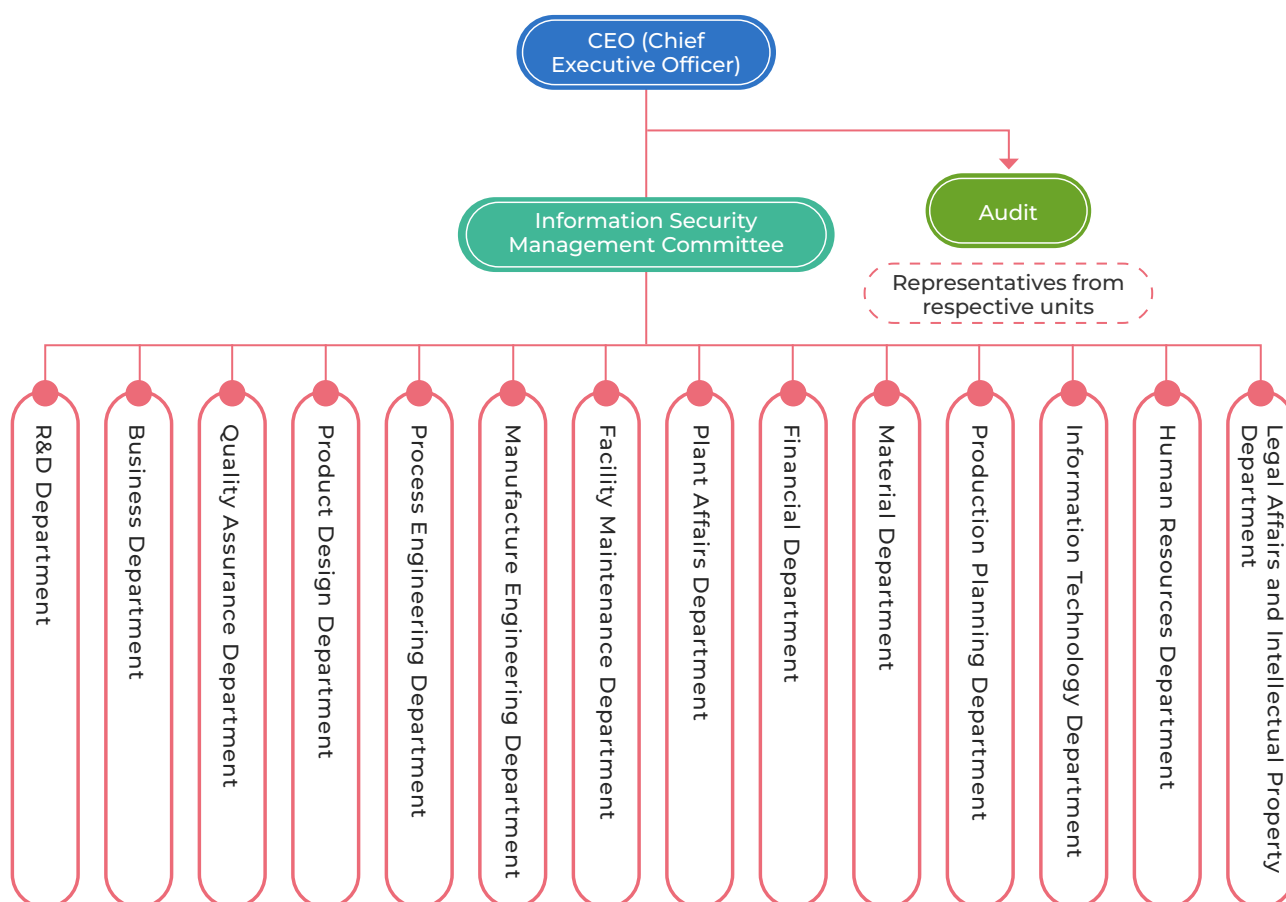
Based on the concerns of internal and external stakeholders, KINSUS has established the "Information Security Management System" in accordance with international standards and legal requirements related to information security management operations and personal data protection. This system ensures that the company's information and communication infrastructure and information systems comply with requirements for confidentiality, integrity, availability, and legality. Through the continuous improvement cycle of the PDCA (Plan-Do-Check-Act) management model, the company integrates and strengthens its information security management system. The implementation of information security management in 2022 was reported to the Board of Directors by the convener of the management committee on December 27, 2022.

Information security management overall policy

The CEO of the company has appointed an Information Security Management Representative to establish an internal Information Security Management Committee. This committee is responsible for formulating the company's information security management policies and establishing dedicated units, managers, and personnel for information security. They plan and implement information security operations within the company.

2.6.1 Information Security Management Organization

The company has set up a dedicated information security management unit, supervisors and personnel responsible for the promotion and management of information security. About information security, the full management committee is as follows:



Kinsus's information security management policy is to "provide a reliable information security management operating environment to ensure the continuous normal operation of the company's business and achieve the company's information security management goals." After review and approval by the CEO, it will be released for implementation.

1 Purpose

- (1) Implement the company's information security management policy.
- (2) Import information security management system.
- (3) Improve the quality of the company's information security management.
- (4) Strengthen the company's information security management response capabilities.
- (5) Reach the measurement indicators of information security management policy.

2 Scope of application

Shih-Lei Plant (headquarters, Tsing-Hua Plant, Xing-Feng Plant, Yu-Shih Plant.)

3 Goal

The information security management objective of Kinsus is to "ensure the confidentiality, integrity, and availability of organizational business-related information and communication systems and provide continuous and reliable services." To ensure the effective implementation of the company's information security management system and meet the operational needs of the company, all operational processes should be regularly reviewed, assessed, and adjusted based on the company's information security management objectives.

2.6.2 Information Security Management Measures



Items
—
Network Security Protection

Targets

1. Prevent hacker invasion and damage
2. Make sure the network from running smoothly

Actions

1. Xin-Feng plant network architecture included IT / OT independent network section
2. Yu-Shih Plant implemented "Zscaler"
3. Continuously improve network security device management strategies and optimize control operation processes



Items
—
Email Safety Control

Targets

1. Prevent secret in from leaking
2. Reduce the risk of external security mail into colleagues mailbox

Actions

1. Implemented the advanced mail defence management system
2. Continue to optimize the review mechanism for external mail delivery



Items
—
Device Safety Protection

Targets

1. Protect the company's internal information equipment from virus attacks or malicious intrusion.
2. Protect the company's sensitive information.

Actions

1. Built virus software protection endpoint equipment (PC / NB, computer)
2. Embedded watermark in NB / PC equipment display content, the source of warning information can be traced
3. Implemented system privilege account management system, strengthened the system account management security
4. Continuous improvement of System Vulnerability Management projects



Items
—
Institutional / Method of Education Publicity

Targets

1. Optimize information security policies and optimize information security operation specifications
2. Information security policy / regulation of promotion and education and training

Actions

1. ISO27001 Security Management Systems introduction, increased the repair of security management methods, norms, operating standards
2. Provided new talent training and e-Learning online learning courses
3. Provided promotional video regularly on EIP portal, screen protector program and TV wall
4. Conduct social engineering drills to strengthen colleagues' awareness of information security



Items
—
Disaster Preparedness

Targets

1. Integrity and compliance of data backup
2. System backup and aid startup capability

Actions

1. Established a cloud backup system to improve the abnormal strain capacity
2. Performed the disaster preparedness system drill operation
3. Optimized the switching operation efficiency of the backup system and shortened the emergency operation time

Information Security Management Effectiveness

Institutional / Method of Education Publicity

1. The ISO27001 system and measures took effect, and the relevant management norms and operation forms were established
2. A total of 307 (100%) recently joined engineers were involved in information security training, and 144 individuals were enrolled in online courses online learning
3. Promoted the security policies, standard methods, security awareness and anti-phishing webpages, totaling 6 times.
4. Social engineering drill for twice.

Network Security Protection

1. The invasion defense system blocked the external invasion threat, and the effective block and defending rate reached 99.99%
2. The quaterly average number of equipment virus infections was 2.5
3. The number of interruptions of production units due to security threat was 0
4. The information security incident like system intrusion was 0

Email Security Control

1. No incidents of risky emails reported in the Company in 2022
2. Partial cancellation of email review conditions

Device Safety Protection

1. The PC / NB installation rate was 100%, and the information service host installation rate was 100%
2. IT/OA equipment had no virus infection / invasion cases, and machine virus events continuously be improved the average to 2.5 quaterly
3. Management information system host and network management equipment privileged access rights.

Disaster Preparedness

1. Performed 1 remote data access drill (Shih-Lei v.s. Xing-Feng)
2. Performed 1 system failurescenario drill of Shih-Lei headquarters, enabled the cloud backup system, and provided service for the production key systems / operation key systems within the expected results

2.7 Risk Management System

Risk Management

To strengthen the risk management mechanism, Kinsus has established the "Risk Analysis and Management Operation Procedures" and the "Continuous Supply Operation Procedures." These procedures are approved by senior executives. The risk management policy, risk categorization, effective identification, analysis and assessment, control measures, and management processes are outlined in these documents. The procedures also include continuous monitoring of various risk factors, assessing their likelihood and severity, and enhancing the risk awareness of all employees. The aim is to control various risks within acceptable levels and ensure the integrity, effectiveness, and optimal efficiency of risk management.

Risk Management Mission:

To establish and maintain an effective risk management system and continuously improve it, reducing operational costs, ensuring sustainable profitability, and creating a high-quality work environment to achieve the company's sustainability goals. The objectives, targets, commitments, and management measures are outlined in the following table:

Material topics → Risk Management Policy: Prevention is more important than remedy to reduce losses

Management Policy

Target: Grasp the risks of internal and external operations, formulate relevant strategies and adjust the operation mode in advance, Prevention is more important than remediation, and relevant responses should be actively implemented.

Commitment: Use due diligence and early warning communication methods to pay close attention to global industry trends and adjust development in a timely manner goals and business strategies to reduce potential risks.

Management measures:

Planned Review the internal and external risks of the company from time to time every year

To comply with laws and regulations, demonstrate operational capabilities, reduce the probability of accidents, and minimize asset losses, Kinsus considers sustainable development and risk management as top priorities in expanding our business. To ensure the comprehensive integration of these principles into our operations, we take proactive control actions to manage and respond to uncertainties. We will continue to establish relevant systems for enterprise risk management and enhance employees' awareness of risk management. Our goal is to actively identify, assess, and manage risks and uncertainties, aiming for continuous improvement in risk management practices throughout the organization.

2.7.1 Risks and Opportunities

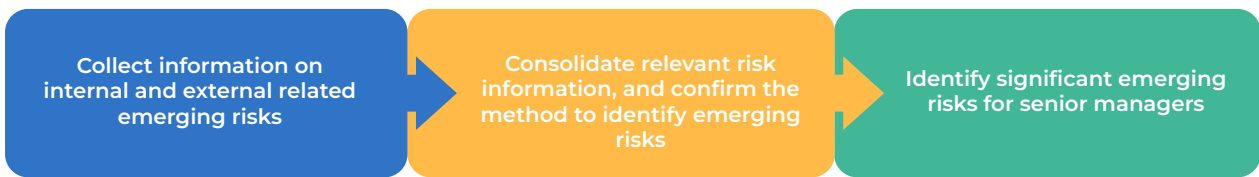
Risks and threats in business operations in the last two years (2022~2023) and the countermeasures are as follows:

Risk Factor	Threaten	Countermeasures
Industry Competition	<p>Since the BGA carrier board and packaging technology will change due to the chip design the product life cycle is relatively short.</p> <p>Since the BT base material is Mitsubishi's proprietary material, if faced with Mitsubishi's production capacity tightening, it will inevitably affect product shipments and customer loss.</p>	<p>In the future, Kinsus will develop various flip-chip substrates, ultra-thin substrates, and high-density substrates in accordance with the packaging types, and at the same time extend existing patented technologies to gain market opportunities.</p> <p>In addition to continuing to maintain a good relationship with the existing BT base material factories, in order to avoid the risk of shortage that may be caused by the concentration of suppliers, at the same time, parallel development and testing of related substitutes is carried out to maintain a stable supply of main raw materials.</p>
Customer Correspondence	Market price fluctuations affect relationships with customers	Provide customers with new value with the most advanced high-quality products, and promise to provide the necessary resources for continuous operation management to ensure that customers' operations remain normal.
Geopolitical Instability	It leads to unstable food supply, inflation, and economic weakness at a global or national level.	In view of geopolitical instability, business units develop market diversification, and meet short-, medium- and long-term customers' supply chain requirements of major customers who may require China +1, and must cooperate with customers to make appropriate countermeasures.
Climate Change <small>For details, see Climate Change Risk Types, Potential Operational Impacts and Adjustment Methods/5-3</small>	The physical risk of a global extreme climate rage continues to rise. In response to the risk of extreme climate, the occurrence of drought or drought power failure, water, power outage, which will cause million dollars of defective materials. The company's losses are increasing day by day.	<ul style="list-style-type: none"> • IT has an uninterruptible power system (UPS) to support power • Generator is automatically switched on • Promote the concept and measures of saving electricity, such as using energy-saving light bulbs.
Employee Ethics	There are possible incidents of labor and moral hazards during the company's operation process. Once the incident occurs, it may cause damage to the company's goals, personnel, assets, environment and image, or cause these consequences at the same time.	Identify and analyze the risks that the company may face in advance, and then take advanced control measures and continuous monitoring and improvement procedures to minimize the possibility of potential risks and minimize the impact on the company's goals.
Supply Chain	In order to stabilize the supply of goods and ensure the quality of raw materials, the company does not easily change suppliers after evaluation and trial production.	Building a common ESG goal to establish a highly competitive supply chain with suppliers through regular audit activities, management reviews and procedures to ensure that continuous operation management is effective.
Information Security	With the development of science and technology, the information security risks faced by the company are increasing day by day.	Relevant personnel must abide by the "Intellectual Property Rights Act", "Computer Processing of Personal Data Protection Act" and the contract regulations with customers when implementing the matters regulated by the policy. Carry out information security control, including physical security, system security, electronic document preservation and other measures. Promise to fully protect the intellectual property rights and personal data of customers.
COVID-19	The company was not affected by the epidemic this time. Orders , growing against the trend, fully loaded through other customer referrals	The company follows the government's instructions and implements relevant epidemic prevention regulations, including temperature measurement of people entering the factory, and control measures for personnel separation.

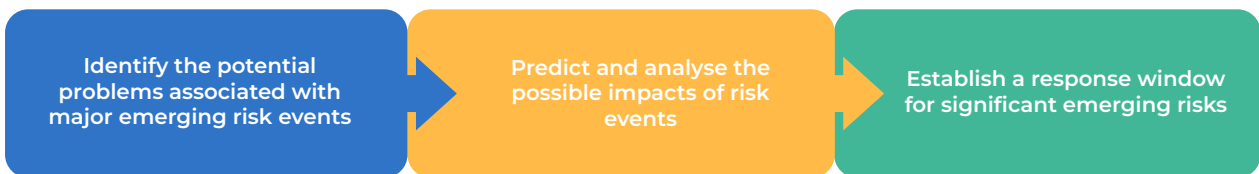
2.7.2 Identification, Assessment and Management of Emerging Risks

Kinsus continuously monitors trends in the economic environment, identifies long-term risks and opportunities, and adjusts its business strategies accordingly to achieve sustainable business goals and long-term operational performance. The risk management teams gather relevant information from domestic and international sources, assess potential risks to the company's long-term operations, and identify the highest-impact topics through methods such as questionnaires or evaluations by senior managers or the ESG committee during meetings. The identified topics are then reviewed to determine how to mitigate the impacts and develop response strategies. The findings are presented to the senior executive meetings for decision-making and serve as important references for formulating future business strategies.

Annual Identification of Major Emerging Risks



Assessment of Major Emerging Risks



Manage Major Emerging Risks



In 2021, emerging risk events were collected and compiled by department managers, and the highest-impact risk issue identified was the ongoing COVID-19 variant epidemic. Kinsus has developed response strategies and continues to improve in order to minimize the related impacts. For detailed information, please refer to the relevant explanation in Section 6.8 on health promotion. However, in 2022, the Omicron variant of the COVID-19 epidemic had a high transmission rate but a low probability of causing severe illness. Therefore, in addition to requiring employees to have received at least three doses of the vaccine, Kinsus provides an adequate supply of rapid test kits. After consecutive holidays or if employees experience symptoms, they undergo rapid testing. If a confirmed case is detected, the employee is sent to the hospital for treatment or receives online medical consultation, and their family or friends are asked to pick up the medication from the hospital for them to take at home according to the prescribed schedule.



2.8 Affirmation and Glory



Left: 2020 Outstanding Supplier Award issued by ASE
Middle: Green Procurement Outstanding Enterprise Award issued by Taoyuan City Government
Right: 2022 Outstanding Supplier Award issued by OSE



Left: 2020 Special Contribution Award issued by OSE
Middle: 2020 Outstanding Water-Saving Supplier Award issued by ASE
Right: 2021 Outstanding Supplier Award issued by OSE



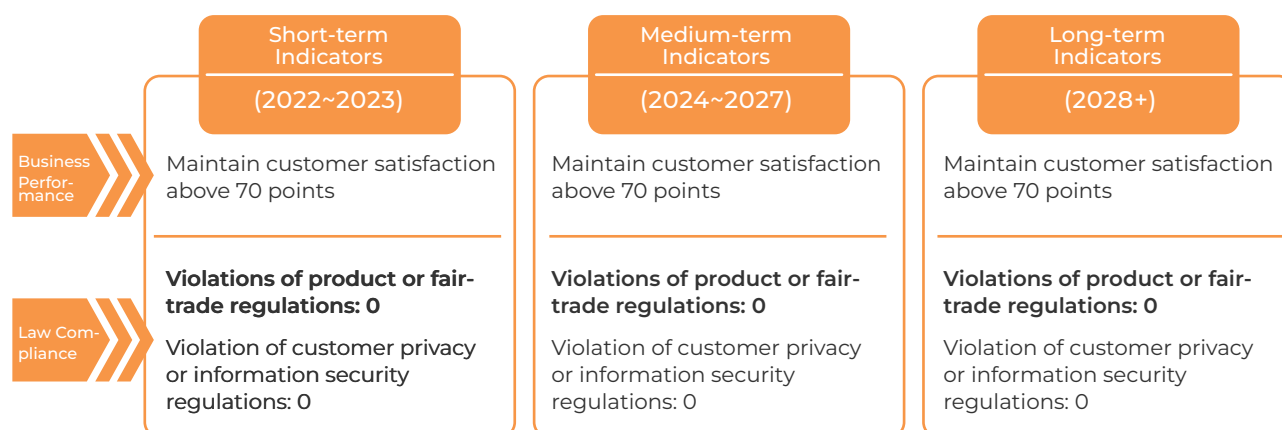
03

Operational Performance, Customer Service and Product Quality

- 3.1 Operational Performance and Challenges
- 3.2 Tax Policy
- 3.3 Customer Operation and Service
- 3.4 Customer Privacy
- 3.5 Product Quality and Delivery

Kinsus's vision: to become the world's leading supplier of IC substrates and a provider of comprehensive packaging technology solutions.

Kinsus is a professional carrier Full Process Workshop, providing customers with full-process services from circuit design, photomask production, substrate production to automatic electrical testing. The plan is to meet the needs of global customers for advanced technology and product portfolio, assist customers in high-end product development and stable mass production supply, and become a trusted strategic partner for customers. At the same time, provide customers with good service and high satisfaction, assist the sustainable operation of important supply chains, and create maximum performance and profits. The short-, medium-, and long-term plans for business performance and customer service related to material topics are as follows:



| Material topics, Goals and Performance:

In order to achieve steady growth in operating performance and provide customers with good service and high satisfaction, KINSUS has set goals for material topics with results as follows:

Corporate Governance

2023 Target	2022 Target	2022 Performance
Maintain customer satisfaction above 70 points	70 points or more	77 points → achieved

Compliance with Regulations

2023 Target	2022 Target	2022 Performance
Violation of product or fair-trade regulations: 0	Violations of product or fair-trade regulations: 0	0 → accomplished
Violation of customer privacy or information security regulations: 0	Violations of customer privacy or information security regulations: 0	0 → accomplished



3.1 Operational Performance and Challenges

Material topics → Operational Performance Policy : Profitable Operations and Protection of Shareholders' Rights and Interests

Management Policy

Goals and targets: good and stable financial performance, making operations profitable; starting from corporate governance, becoming

The culture cultivated by the enterprise. Reduce waste and balance costs, improve quality and increase profits

Commitment: Applying Due Diligence and Early Warning Communication Methods, Comply with Company Act and the applicable business and create stable Economic Value

Management measures:

- (1) Maintain a good financial structure and provide a strong backing for sales, production, and research and development
- (2) Continue to devote ourselves to the IC substrate manufacturing business, so that the company can progress and grow, and consolidate KINSUS's leading position in the industry
- (3) Plan short-, medium-, and long-term capital utilization methods to create maximum capital returns under the principle of prudence

KINSUS Technology Corporation is located at Xinwu District, Taoyuan City. There are four factories in Taiwan, including Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory and Yu-Shih Factory. They are mainly engaged in the manufacture and sales of substrates for IC packaging. Since its establishment, the company has been adhering to the concept of "satisfying customers and pursuing excellence", and is heading towards the direction of technology-led market research and development. It aims to improve profits by surpassing competitors in technology and product innovation, and grasp trends to develop new-generation products.

KINSUS's operating strategy is as follows according to different functions:

Production Strategy

KINSUS Technology is a professional high-end printed circuit board manufacturing company. Our core business objectives are to provide a safe working environment, effectively prevent occupational hazards, fulfill environmental protection responsibilities, and practice green operations. We strive to enhance our production equipment, process technology, and production efficiency. We ensure effective management of raw materials and finished products and adhere to ISO 9001 and ISO 14001 standards to achieve quality objectives.

Sales Strategy

Existing Customers: Provide market-competitive products and services. Potential New **Customers:** Actively develop potential customer groups in related applications of printed circuit boards using new technologies.

End-User Customers: Establish direct connections with end-user customers and introduce products as specified by manufacturers.

Research and Development Strategy

We acquire land and construct facilities in Yu-Shih Factory to actively expand the production capacity of ABF FC-BGA boards. We cater to the demand for ultra-thin boards, SiP modules, and antenna modules, and ensure adequate capacity for BT boards to accommodate product design changes. In the mid-term, we continuously develop basic semiconductor requirements such as miniaturization of line width, hole diameter, and thickness. In the long term, we aim to develop complex technologies such as high-frequency material systems, embedded active/passive components, and direct chip integration to maintain the competitiveness of our products and technologies.

Operational Strategy

We adopt a flattened organizational structure and strengthen project-oriented organizational frameworks to improve operational efficiency. Internally, we enhance on-the-job training for employees, and externally, we actively recruit talented individuals to enhance the company's competitive advantage.

Financial Strategy

Maintain a healthy financial structure and establish strong foundations in sales, production, and research and development. We plan short, medium, and long-term fund allocation methods to maximize returns on capital.

The company's main products are used as chip carriers during semiconductor assembly and as a channel for external circuit connections. They are raw materials or carrier components in the packaging industry. The sales targets are mainly IC packaging, design and system companies at home and abroad.

The company's IC substrates are sold all over the world. The main production bases are located in Taiwan (Taoyuan, Hsinchu) and mainland China (Suzhou). There is a branch in California, US, and there are agent service offices in Seoul, Korea and Muar, Malaysia to provide more complete and timely communication and customer service.

The classification of main products is as follows:

Main products	Purpose/Function
System-in-Package Substrate (SiP)	System-in-Package is a system platform that assembles multiple heterogeneous chips, sensing elements, passive elements, etc. into one package. Its applications include " multi-chip module (MCM)" , " multi-chip package (MCP)" , " stacked chip package " , " package-in-package (PiP)" , and " embedded component carrier " . System-in-package provides IC system designers with another computing function integration solution besides " system-on-chip (SoC)" . It has the advantages of integrating heterogeneous chips from different sources, smaller and thinner, and faster market entry.
RF Module Package Carrier Board (RF Modules)	Numerous and diverse cloud applications and colorful multimedia content have become the key content of life in the digital age. This type of demand requires a huge communication bandwidth, which of course also increases the demand for many mobile phone communication frequency bands. In order to meet the communication needs in human life in the future, frequency band integration and the launch of more advanced communication protocols will continue to be carried out. What appears on the handheld device or cloud device is more power amplifiers and front-end RF modules. The RF module packaging substrate is slightly different from most digital circuit designs. It requires higher design experience and skills, and requires more stringent process control.
Flip Chip Ball Gate Array Package Substrate (FCBGA)	For packages with very high output / input pins, such as chips such as microprocessors or image processors, the flip-chip ball gate array package has very excellent performance and cost advantages. In the packaging of such chips with thousands of pins, it is almost impossible for the wire-bonding packaging technology to compete with the flip-chip packaging technology in terms of both performance and cost. In the various application fields of cloud technology, the demand for servers and data centers is ubiquitous. They all need to have powerful computing functions, and the number of pins on chips is also continuously increasing. Flip chip ball gate array packaging has become a mainstream technology.
Flip Chip Scale Package Substrate (FCCSP)	Smartphones have become a device owned by everyone nowadays. The powerful computing power and network access capabilities required by them are driving the rapid increase of IC functions and the number of pins. When the number of chip output / input pins continues to increase, the flip-chip chip-level package will further increase the display cost advantage. Recently, the manufacturing cost of the bumps on the wafer has also continued to decrease, which also promotes a faster reduction of the packaging cost. Today, flip-chip scale packaging has become the mainstream packaging technology for high-pin-count ICs, such as application processors for handheld devices.
Wire Bonded Chip Scale Package Substrate (CSP)	Thin, light and small has always been the development trend of various handheld devices, which drives the miniaturization of components and parts. Thinner and smaller ICs Packaging has become a basic technical requirement for components of handheld devices. Under these requirements, wafer-scale packaging has become the most mainstream packaging technology for internal components of handheld devices.
Plastic Ball Gate Array Package Substrate (PBGA)	This is the most basic ball gate array substrate used in wire bonded packaging, and its basic material is a resin-impregnated copper foil substrate with glass fibers. The plastic ball gate array package substrate can be applied to a chip package with a relatively high pin count. When the function of the chip is upgraded, usually with the increase of the number of output / input pins, the traditional lead frame package structure becomes insufficient, and the plastic ball gate array package substrate provides a cost-effective solution.

Other main applications of the above products are as follows:

1. Personal computer field, including desktop, Notebook and Chrome computers.
2. Consumer electronics and optoelectronic products for communication and general household or personal use.
3. Applications of 5G communication, artificial intelligence, cloud network, Internet of Things, and automated robots.

The collection diagram of each product category and application is as follows:



Mobile Devices 28%

- Smartphones
- Tablets
- Ultrabooks
- Wearables



Consumer Electronics 51%

- Smart Appliances
- Audio/Video Entertainment



Industrial Applications 7%

- Sensors
- Controllers



Mobile Applications 4%

- Patient Monitoring
- Diagnostics



Automotive Applications 10%

- Navigation
- Infotainment
- Smart Driver Assist

With the gradual increase in the penetration rate of smart phones, the overall smart phone market has entered a plateau period. KINSUS continues to invest in R&D and develop successful technologies and products to enable continuous growth in business performance.

The operating results of generating and distributing direct economic value in the last three years are as follows:

Unit: NT\$ thousand

Project	2020	2021	2022 (Note)
Consolidated Turnover	27,098,474	35,672,763	42,441,054
Operating Profit	5,819,054	10,525,845	15,711,556
Net Profit before Tax	1,123,269	5,163,911	10,091,874
Net profit after Tax	929,443	4,492,108	7,933,470
Other Comprehensive Income	(22,831)	(24,269)	102,874
Total Comprehensive Benefit	906,612	4,467,839	8,036,344
Earnings per Share	1.21	8.56	15.47
Debt Ratio	31.77%	43.50%	46.56%
Return on Equity	3.20%	14.45%	22.10%
Shareholding Ratio of Directors and	25.58%	25.48%	25.38%

Note: Including the amount of closed units.

The classification of main products is as follows:

Unit: NT\$ thousand

Year Product	2020		2021		2022	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Commodity Sale	26,813,266	98.95	35,192,556	98.65	41,588,787	97.99
Other	285,208	1.05	480,207	1.35	852,267	2.01
Total	27,098,474	100	35,672,763	100	42,441,054	100

Production capacity, output and output value by product category

【Production Value Table】

Unit: thousand PCS, NT\$ thousand

Production Quantity Main Commodity	Year	2022		
		Production capacity	Yield	Output value (Thousand yuan)
Carrier board		12,012,830	7,825,708	37,934,062

Note: The product mix has an impact on the output, so the production capacity is for reference only.

The sales amount and proportion of major products in each region in the last three years

Unit: NT\$ thousand

Year Area	2020		2021		2022	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Taiwan	9,847,916	36.34	12,538,890	35.15	13,074,886	30.81
China	7,861,647	29.01	9,369,581	26.27	9,154,610	21.57
U.S.	3,689,475	13.62	6,493,041	18.20	8,328,241	19.62
Other	5,699,436	21.03	7,271,251	20.38	11,883,317	28.00
Total	27,098,474	100.00	35,672,763	100.00	42,441,054	100.00

Employee salaries and benefits, the economic value of distribution of funds paid to contributors

Unit: NT\$ thousand

Project \ Year	2020	2021	2022
Operating cost	21,279,420	25,146,918	26,729,498
Employee salary and welfare expenses (Note)	5,856,795	7,983,557	9,266,364
Pay income tax	103,477	178,391	978,976
Pay dividends	451,039	450,847	2,028,798
Pay interest on bank loans	73,072	65,126	151,377

Note: It refers to salary expenses, labor and health insurance expenses, pension expenses and other employee welfare expenses.

Future strategy: diversification of marketing regions:

In 2022, the sales distribution of our company's business was as follows: Taiwan accounted for the highest percentage at 30.81% of total revenue, followed by China at 21.57%, and the United States at 19.62%. The top three regions accounted for a significant 72% of our sales. In the future, we plan to expand our customer base to other countries or regions such as Korea, Southeast Asia, or local customers in Europe. This strategy aims to diversify our market and mitigate risks by reducing reliance on a single region. It will help minimize the impact of localized outbreaks and city lockdowns, which can disrupt both human and logistics flows and potentially lead to delays in delivery, thereby causing losses for the company's customer service.

3.2 Tax Policy

Our company supports tax policies that promote corporate product and technological innovation, as well as sustainable development. We are committed to controlling tax risks, pursuing sustainable development, and fulfilling corporate social responsibility. KINSUS makes the following commitments:

- All significant operational decisions comply with relevant laws and regulations, and tax risks are evaluated accordingly.
- We adhere to the OECD Base Erosion and Profit Shifting (BEPS) Action Plan, ensuring that profits are generated by companies with economic substance and obtaining tax residency in the respective jurisdictions, in accordance with local tax regulations.
- We do not engage in transactions solely for the purpose of tax avoidance in low-tax jurisdictions.
- Financial reporting complies with applicable laws and regulations, and tax information is fully disclosed as required.
- Based on integrity, we establish a relationship of mutual respect and effective communication with tax authorities in the jurisdictions where we operate.

In 2022, the Company complied with tax policies and regulations and did not incur any penalties from regulatory authorities.

3.3 Customer Operation and Service

Material topics → Customer Service and Satisfaction Policy : Manage Customer Relationships with Care and Improve Their Service Satisfaction

Management Policy

Objective and Target: Regular and irregular management of customer relationships and services to ensure customer orders are not lost and continuously improve satisfaction.

Commitment: Utilize due diligence and early warning communication methods, comply with applicable business regulations and ethical standards, and protect customer privacy.

Management measures:

- (1) Conduct regular customer satisfaction surveys to achieve the goal of sustainable operation and growth, and record the results.
- (2) Include customer satisfaction survey and improvement results in management review and promptly address and improve issues.
- (3) Develop short, medium, and long-term plans to enhance customer satisfaction and ensure a continuous flow of customer orders.

Customer maintenance and satisfaction survey

According to the operational procedure SBM03000 for customer satisfaction surveys, customer satisfaction surveys are conducted regularly. These surveys are carried out every six months or quarterly by members of the sales department through personal visits, fax, email, or postal mail.

The process involves the following steps:

1. Customers complete the customer satisfaction survey form.
2. The results of the customer satisfaction survey and improvement measures are included in the management review and evaluation.

Customer satisfaction surveys are crucial in achieving the key goals of sustained operation and growth. With the aim of enhancing customer satisfaction, KINSUS makes effective use of Enterprise Resource Planning (ERP) and procurement platforms as management systems, actively promoting a win-win philosophy among customers, suppliers, and KINSUS.

KINSUS strives to provide optimal solutions in terms of cost, quality, and service (including delivery time) and regularly conducts customer satisfaction surveys. These surveys serve as a cornerstone for the long-term development of the business.



The results of customer satisfaction surveys in 2021 and 2022 are as follows:

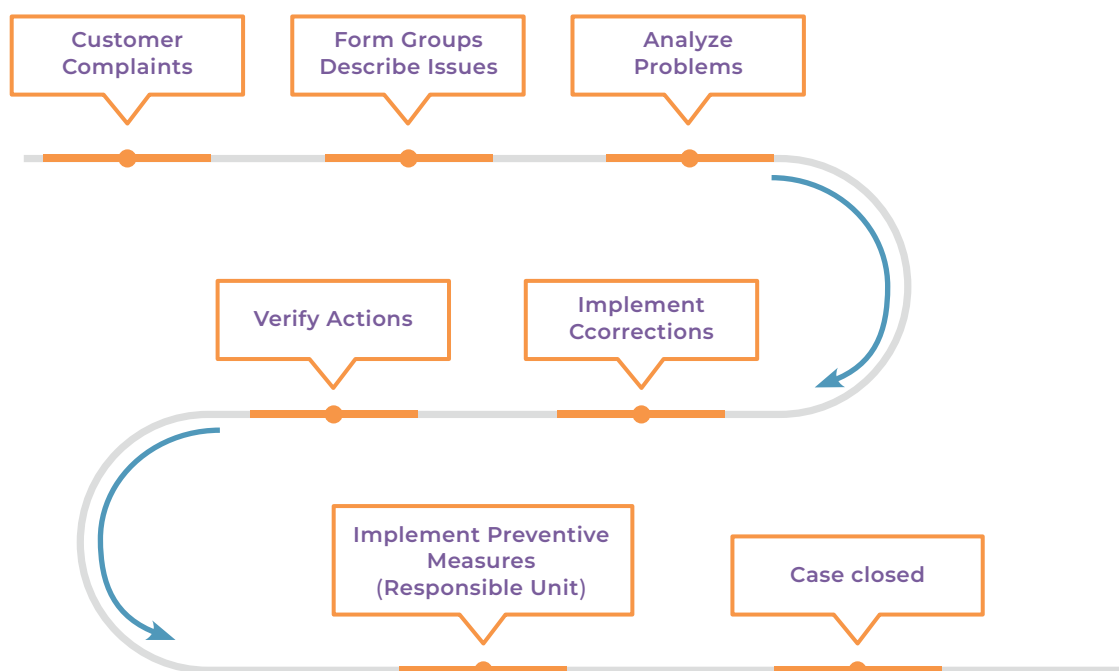
Project	2021	2022
Average Satisfaction	77	77
Target Value	70	70
Status	✓ Achieved	✓ Achieved

Customer feedback and handling:

In order to promptly address customer inquiries and needs, in addition to the standard operating procedures followed by the Sales Department and Quality Assurance Department, our company has established a message system on the official website. Customers can directly provide feedback through various channels such as the sales service hotline and email address provided on the website. We ensure that all customer demands are promptly addressed. Furthermore, upon receiving complaints, the company immediately forwards the feedback to the internal departments for processing, aiming to protect the customers' rights and interests.

A brief flow chart of the customer complaint handling mechanism:

- (1) When customers complain or provide feedback, the customer service quality engineering department initiates the customer complaint handling process. They are responsible for identifying and addressing any abnormal issues raised by customers to reduce the recurrence of similar incidents and the number of customer complaints.
- (2) In the event of a customer complaint, depending on the situation, an 8D problem-solving methodology is employed to establish an improvement team to identify the root cause of the problem. Short-term and long-term countermeasures are implemented for improvement, and the effectiveness of the actions is evaluated. Through personnel retraining, an internal culture of continuous improvement is fostered to consistently enhance the quality of KINSUS products.



3.4 Customer Privacy

Material topics → Customer Privacy Policy : Protecting Customer Privacy

Management Policy

Goal and Target: Consolidate the good partnership with customers and expand the scope of business.

Commitment: Utilize due diligence and early warning communication methods, the customer is an important partner of KINSUS. The customer privacy and confidential information are strictly protected.

Management measures:

- (1) The product output process complies with international laws and regulations;
- (2) Ensure product quality, safety and delivery that meet customer requirements, as well as customer service satisfaction;
- (3) Provide channels for customer complaints to protect customer privacy and rights.

At the beginning of the cooperation between KINSUS and the client, in order to ensure that the business secrets disclosed by both parties can be properly protected and used by the other party, KINSUS requires the client to sign a confidentiality agreement. Employees and cooperating customers and partners must uphold the moral policy of "strictly protecting personal privacy and protecting the business information security of customers and suppliers".

Relevant measures include:

1. The customer provides the design to KINSUS, which is converted into the customer code in the factory to prevent the leakage of the direct customer's information. After production, the internal part number is further converted to the in-factory part number to facilitate communication.
2. Each relevant unit in the factory has a special information area dedicated to the unit, and other units without authorization are not allowed to read it.

During 2022, KINSUS was not fined nor compensated to customers for leaking customer privacy.

3.5 Product Quality and Delivery

Material topics → Product Quality and Delivery

Management Policy

Quality Policy: Satisfying Customers, Pursuing Excellence.

Goal and Target: Improve the yield rate of various products, meet customer requirements for product quality and accurate delivery.

Commitment: Use due diligence and early warning communication methods to meet customer requirements for product quality, safety, and accurate delivery.

Management measures:

- (1) The product production process complies with international laws and regulations and Taiwan laws;
- (2) Improve the yield rate of various products to ensure the quality, safety and delivery of products that meet customer requirements;
- (3) Provide channels for customer complaints to protect customer privacy and rights.

Based on the most important issues of operation and management, our company insists on paying attention to and caring about quality management. We promise that the quality management measures are as follows:

The entire company's workflow, from order taking, planning, procurement, to shipping and after-sales service, is dedicated to continuously improving and enhancing quality and technology. The goal is to prevent defects, reduce variation and waste, and ensure that customers are fully satisfied with product features, pricing, quality, delivery time, and service. By achieving comprehensive customer satisfaction, the company aims to enhance its operational performance and achieve sustainable business operations.

We prioritize the safety and health impact of customers in product usage and continuously evaluate and improve at every stage of product development, certification, and customer experience. This commitment is reflected in the quality of our products, aiming to enhance their safety and reliability.

Based on international product environmental regulations, industry standards, and customer requirements regarding the prohibition/limitation of hazardous substances, we have established the "Hazardous Substance System Management Standard." This standard serves as a strict control measure for all components and materials, setting the standard for the management of prohibited/limited chemical substances from suppliers, meeting both customer and regulatory requirements for hazardous substances in products. We have established a hazardous substance team to re-examine various aspects such as awareness, materials, production, and inspection, going beyond material introduction and monitoring of production processes and incoming shipments. Through advocacy and education, we strengthen employees' awareness of environmental regulations, incorporating the spirit and requirements of RoHS into daily operational management. As a result, no violations of health and safety regulations regarding products and services occurred in 2022. We comply with international regulations, customer requirements, and environmental trends. We review the current state of hazardous substance management and update the management standards to protect the Earth's environment and reduce the impact on the ecosystem. The quality control department implements raw material and supplier management, establishing a system for monitoring raw material characteristics and enhancing the inspection capabilities for incoming materials' quality. Our shipped products meet customers' specifications for health and safety regarding products and services, as well as labeling of product and service information.

The quality control department promotes continuous improvement of the quality management system within various internal organizations, aiming to reduce product defects, enhance process control, detect abnormalities early, and prevent quality incidents from affecting customers.

We provide product quality training courses and quality improvement projects to enhance employees' problem-solving capabilities.

The principles of quality management include the "Three Don'ts" and the "Three Dos," supported by specific management measures:

Three Don'ts:

1. Don't accept defective products: Strengthen inspection to reject defective products at the pre-production stage.
2. Don't produce defective products: Strictly adhere to operating procedures and standards.
3. Don't allow defective products to flow out: Ensure effective inspection and prevention of defective product leakage.

Three Dos:

1. Do identify defective products: Immediately raise concerns and report issues.
2. Do handle defective products: Actively address problems based on standard operating procedures (SOP).
3. Do track defective products: Continuously monitor and follow up on issues until they are resolved.

The basic requirements for these approaches are:

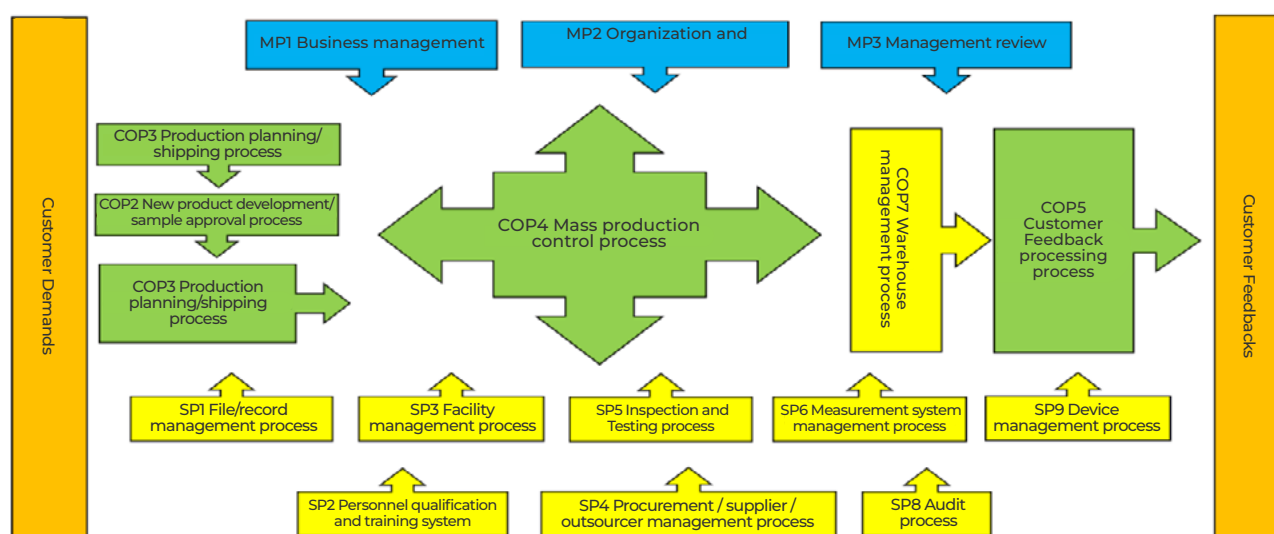
1. Simplification of work processes: Designing measures to prevent mistakes and reduce the occurrence of errors.
 2. Institutionalization of work processes: Standardizing work methods, steps, and precautions to ensure consistency.
 3. Automation of work processes: Implementing systems that automate work tasks, reducing the likelihood of human errors.
- The three approaches for internal skills are as follows: Attention to detail in work execution; Strict adherence to discipline in work execution; Determination in consistent work execution.

The basic requirements for these approaches are:

1. Attention to detail in work execution: Thoroughly reviewing the SOP and understanding the product history before commencing the task.
2. Strict adherence to discipline in work execution: Following the WI during the operation and promptly reporting any problems or issues.
3. Determination in consistent work execution: Monitoring the quality status after completing the task and continuously seeking opportunities for improvement.

Quality management process

Quality management process system diagram



The overall average yield rate in 2022 is 81.6%. The average yield rate of three important products is listed as follows:

Product Type	Jan,22	Feb,22	Mar,22	Apr,22	May,22	Jun,22	Jul,22	Aug,22	Sep,22	Oct,22	Nov,22	Dec,22	Average
CSP	86.6%	87.4%	85.8%	86.2%	87.3%	86.1%	86.2%	86.6%	84.4%	87.3%	84.4%	83.8%	86.0%
PBGA	88.5%	88.4%	86.2%	88.1%	90.4%	88.8%	87.8%	87.7%	88.3%	87.6%	86.2%	88.9%	88.1%
HG	83.9%	86.1%	83.8%	83.8%	85.2%	81.4%	82.8%	85.8%	85.5%	83.2%	80.4%	82.5%	83.7%

| 2022, the company did not have violations of laws and regulations in which products and services comply with customers' health and safety requirements for products and services.



Sustainable Supply Chain Management

04

- 4.1 Supplier Management Policy and Commitment
- 4.2 Industrial Supply Chain
- 4.3 Supplier Management
- 4.4 Relationship and Philosophy with Suppliers
- 4.5 Supplier Implementation of Social Responsibility
- 4.6 Ethical Procurement

In order to establish a sustainable supply chain, KINSUS Technology, in addition to complying with laws and regulations and ethical procurement, puts more effort in assisting the sustainable operation of the supply chain and plans short-term, medium- and long-term sustainable management goals and work plans as follows:

	Short-term Indicators (2022~2023)	Mid-term Indicators (2024~2027)	Long-term Indicators (2028+)
Sustainable Supply Chain	<p>The average score of qualified suppliers is above 80</p> <hr/> <p>Increase the proportion of local procurement amount</p> <p>Raw materials up to 59.00 %</p> <p>Spare parts up to 99.00%</p> <hr/> <p>Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", 11 completed</p>	<p>The average score of qualified suppliers is above 90</p> <hr/> <p>Increase the proportion of local procurement amount</p> <p>Raw materials up to 59.40 %</p> <p>Spare parts up to 99.40%</p> <hr/> <p>Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", 13 completed</p>	<p>The average score of qualified suppliers is above 95</p> <hr/> <p>Increase the proportion of local procurement amount</p> <p>Raw materials up to 60.00 %</p> <p>Spare parts up to 99.50%</p> <hr/> <p>Carry out self-assessment among the medium risk suppliers according to the "Supplier Social Responsibility Assessment Form", 15 completed</p>
Legal Compliance	<p>Follow the Responsible Alliance Code of Conduct</p> <p>100% compliance rate for non-use of hazardous substances</p> <hr/> <p>Follow the Responsible Alliance Code of Conduct</p> <p>Due diligence for suppliers "responsible minerals "</p> <p>Investigation, 100% utilization rate of compliant minerals</p>	<p>Follow the Responsible Alliance Code of Conduct</p> <p>100% compliance rate for non-use of hazardous substances</p> <hr/> <p>Follow the Responsible Alliance Code of Conduct</p> <p>Due diligence for suppliers "responsible minerals "</p> <p>Investigation, 100% utilization rate of compliant minerals</p>	<p>Follow the Responsible Alliance Code of Conduct</p> <p>100% compliance rate for non-use of hazardous substances</p> <hr/> <p>Follow the Responsible Alliance Code of Conduct</p> <p>Due diligence on suppliers for "responsible minerals "</p> <p>Inspection, 100% utilization rate of compliant minerals</p>

| Material topics, Goals and Performance:

In order to achieve compliance with laws and regulations and ethical procurement, more importantly, to establish a sustainable supply chain operation, we have set material topics and goals with performance as follows:

2022 Goals	2022 Performance
The average score of qualified suppliers is above 80	An average of 95 points in the evaluation of qualified suppliers
Increase the proportion of local procurement amount	Increase the proportion of local procurement amount
Raw materials up to 59.00 %	Raw materials up to 59.37%
Spare parts up to 99.00%	Spare parts up to 99.73%
11 suppliers completed the social responsibility assessment form	12 suppliers completed the social responsibility assessment form
100% compliance rate for non-use of hazardous substances	100% compliance rate for non-use of hazardous substances
"Responsible minerals " due diligence, 100% utilization rate of compliant minerals	"Responsible minerals" due diligence, 100% utilization rate of compliant minerals

4.1 Supplier Management Policy and Commitment

Material topics → Supplier Management Policy : Establishing a Sustainable Supply Chain

Management Policy

Goal and Target: Committed to maintaining long-term cooperative relationships with domestic and foreign suppliers, and establishing mutual trust and stable.

A sustainable supply chain that reduces the risk of operational disruption through partnerships.

Commitment: Use due diligence and early warning communication methods to ensure that suppliers who provide raw materials and parts to the company are qualified suppliers, and ensure that suppliers meet the specifications and conditions of the company's raw materials and parts.

Management measures:

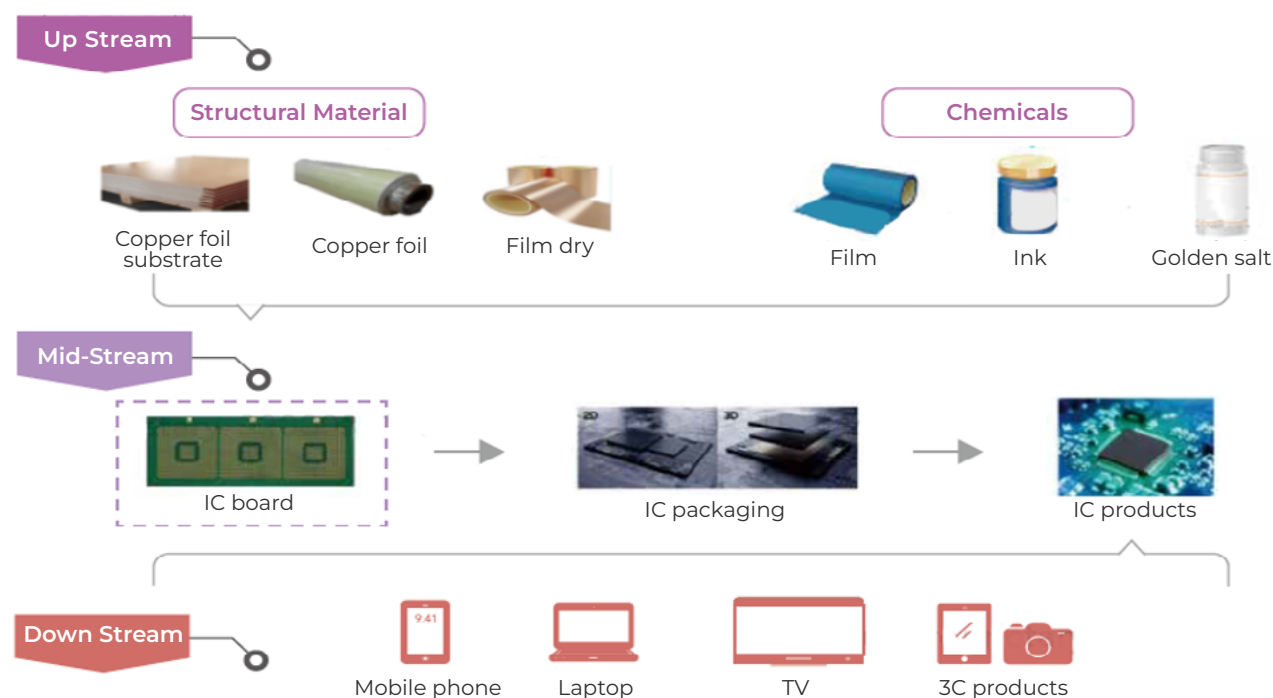
- (1) Formulate supplier management operating procedures, conduct supplier quality assessment and RBA social responsibility audit, and delivery management to ensure qualified supplier management.
- (2) Regularly hold supplier conferences, maintain good interaction and message transmission with them, and create a win-win cooperative relationship.
- (3) Increase the proportion of local purchases to reduce energy consumption.
- (4) Make major suppliers promise to implement social responsibilities, conduct self-assessment and on-site audits, and implement environmental protection.
- (5) Raw materials do not purchase hazardous substances or comply with RoHs international standards, and the use of conflict zone minerals is prohibited.

External Responsibility: Conflict Minerals

Internal Systems: Supplier Management Operation Procedure, Engineering Contractor Management Operation Procedure, Supplier Corporate Social Responsibility Code of Conduct, Customer Satisfaction Evaluation Operation Procedure.

4.2 Industrial Supply Chain

The supply chain of the Printed Circuit Board (PCB) industry, abbreviated as PCB, is as shown in the diagram below. The upstream consists of material providers in the PCB industry, including structural materials (copper substrate, copper foil, film), and chemicals (dry film, ink, gold salt). The midstream includes IC carrier board, IC packaging, and IC finished product manufacturers, while the downstream consists of customers of various electronic products. Due to the special requirements of IC carrier boards in terms of material properties and processes, the main raw materials still rely on imports. However, Japanese raw material suppliers have been actively establishing factories in other overseas regions such as Thailand, Malaysia, and Taiwan in response to the supply chain disruption caused by the 2011 earthquake in Japan. Looking back at 2019, the global political and economic outlook was highly uncertain due to the US-China trade war, coupled with the impact of the COVID-19 pandemic leading to a slowdown in demand. In 2020, the strong demand for 5G technology drove the overall production of PCBs, ranging from base station antenna design, network equipment, servers, to end products such as 5G smartphones. Our company has maintained a good partnership with upstream suppliers, providing them with regular demand forecasts for a quarter or more to ensure material availability and production capacity planning. This allows us to ensure a secure upstream supply of raw materials.



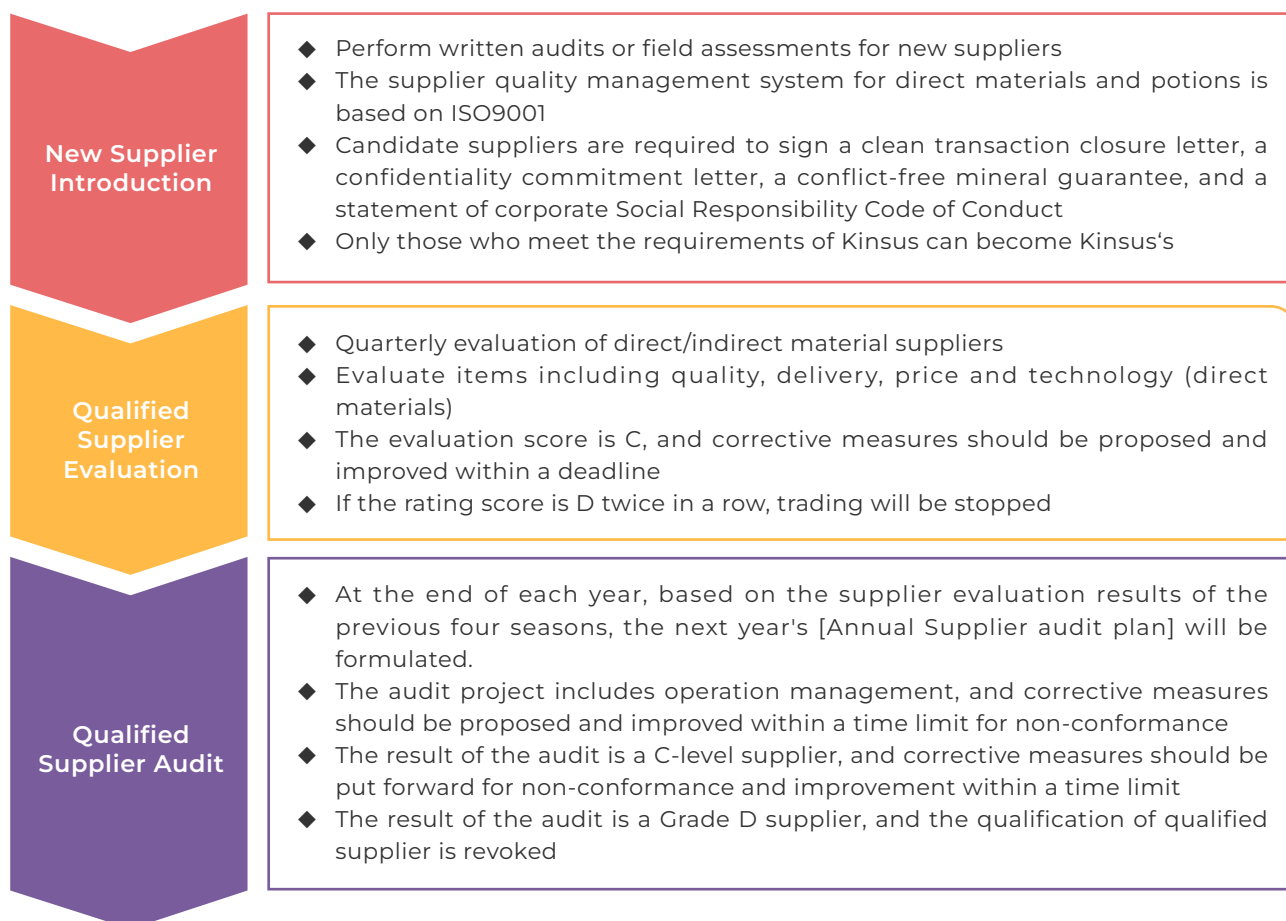
4.3 Supplier Management

Supplier evaluation system

To carefully select suppliers, we have established a procedure for choosing qualified suppliers and implemented appropriate management and evaluation processes. This ensures that our raw material and component suppliers meet our requirements in terms of product quality, delivery time, price, and technical capabilities. We also emphasize continuous improvement to ensure a stable supply source and minimize the risk of production disruption due to supply shortages. Through these efforts, we aim to build a trusting and stable partnership with our suppliers, fostering mutual growth and establishing a sustainable supplier relationship.

When introducing new suppliers, the procurement department takes on the role of convening the evaluation team. The evaluation team is composed of relevant departments and is responsible for conducting the evaluation process. Our company requires all suppliers to submit their basic information, supplier wire transfer information form, and sign integrity declaration, confidentiality commitment, conflict-free minerals guarantee, and corporate social responsibility code of conduct statement in accordance with the specified requirements.

KINSUS has established a supplier management system and regulations. Regular supplier evaluations, self-checks, or on-site audits are conducted to ensure compliance. KINSUS actively maintains long-term cooperative relationships with suppliers to reduce costs, achieve fast and flexible delivery, enhance product competitiveness, maximize profits, and create a win-win situation.



Judgment and disposal of new supply evaluation results:

Rating Scale	Rating Score	Judgment and Disposal
A	Score ≥ 90	Listed as a qualified supplier
B	$90 > \text{Score} \geq 80$	Suppliers are to be evaluated, non-conformities can be responded to in writing with improvement measures, and after approval, they can be included as qualified suppliers
C	$80 > \text{Score} \geq 70$	Suppliers to be evaluated, non-conformities need to propose corrective measures, and on-site audits before mass production After approval, they can be listed as qualified suppliers
D	Score < 70	Listed as an unqualified supplier

After being listed as an unqualified supplier, if the follow-up supplier can propose an improvement plan, it can still be re-evaluated according to the demand situation.

| In 2022, KINSUS company added one new supplier, and their evaluation included social and environmental assessments. The qualification rate for the evaluation was 100%.

Grade A	Grade B	Grade C	Grade D	total
1	0	0	0	1

Suppliers' Management Objectives

Evaluation of qualified suppliers:

Sequence	Appraisal Category	Direct Material Specific Gravity	Specific Gravity of Indirect Material	Appraisal Unit
1	Quality Appraisal	45%	50%	Quality Control
2	Price Comparison	15%	20%	Purchase
3	Delivery Rating	30%	30%	Property Management
4	Technical Evaluation	10%	-	R&D / Manufacturing

Judgment and disposal of evaluation results:

Rating Scale	Rating Score	Judgment and Disposal
A	$\text{Score} \geq 90$	<ol style="list-style-type: none"> 1. High-quality suppliers 2. Announced on the supplier platform for praise
B	$90 > \text{Score} \geq 80$	<ol style="list-style-type: none"> 1. General suppliers 2. Normal transaction 3. Require and encourage suppliers to continue to improve, such as getting an A in the new quarterly appraisal, and increase the order ratio if the demand can be met
C	$80 > \text{Score} \geq 70$	<ol style="list-style-type: none"> 1. Suppliers that need to be improved 2. It is necessary to propose corrective measures and improve within a time limit 3. Consider reducing the order quantity 4. Hold a QBR review meeting or conduct on-site audits to understand its improvement status
D	$\text{Score} < 70$	<ol style="list-style-type: none"> 1. Improve the first deadline and consider reducing the order quantity 2. Two times in a row, stop trading

| Number and grade of raw material suppliers in 2022:

Grade A	Grade B	Grade C	Grade D	total
119	1	0	0	120

Qualified supplier audit work:

Determine the frequency of the audit plan based on the performance of the supplier evaluation, and formulate the supplier audit plan for the next year.

Auditors	Major Missing	Minor Deletion	Recommendations	Number of Outstanding Cases	Case Closure Rate
11	0	20	33	0	100%

4.4 Relationship and Philosophy with Suppliers

KINSUS cooperative suppliers are divided into suppliers according to procurement types: Raw material suppliers, equipment suppliers, spare parts suppliers, engineering suppliers, resident/waste suppliers, general suppliers, etc.

Currently qualified suppliers:

Domestic companies accounted for: 95.2%, 57 foreign companies accounted for: 4.8%, a total of 1,182 companies.

Supplier Type	Raw Material	Equipment	Spare parts	Engineering	Onsite/Waste	General	Total
Total Number of Suppliers	217	307	254	71	52	281	1,182
Proportion	18.4%	26.0%	21.5%	6.0%	4.4%	23.8%	100%

Local procurement

In terms of procurement strategy, KINSUS chooses excellent local suppliers.

This refers to suppliers whose manufacturing facilities are located in the same country as KINSUS's production sites, such as the Shih-Lei Plant, Tsing-Hua Plant, Yu-Shih Plant, and Xing-Feng Plant. KINSUS has made efforts over the years to prioritize the development of local suppliers, implementing material localization to reduce unnecessary air or sea transportation costs and minimize the carbon footprint generated during material shipping. This not only fulfills the environmental responsibility of energy conservation and carbon reduction but also directly reduces procurement costs.

The proportion of local procurement amounts for raw materials and spare parts suppliers in 2022 is shown in the following table:

Raw Material Supplier

Account for
59.37%

Spare Parts Supplier

Account for
99.73%

4.5 Supplier Implementation of Social Responsibility

Our company adheres to the Responsible Business Alliance (RBA) Supplier Code of Conduct as the fundamental values for managing the supply chain. This code includes provisions on labor, health and safety, environmental standards, business ethics, and management systems, aiming to ensure a safe working environment for suppliers, respect and dignity for employees, environmentally friendly business operations, and adherence to ethical practices. The company requires suppliers to minimize risks related to environmental issues, human rights/labor, corporate ethics, labor standards, and potential production disruption resulting from strikes. It seeks to establish a mutually beneficial and harmonious relationship with suppliers based on coexistence and prosperity.

KINSUS requires new supplier partners to adhere to the RBA Code of Conduct and sign a "Corporate Social Responsibility Code of Conduct Statement," committing to conducting all activities in compliance with relevant laws and ethical standards. We explain to suppliers KINSUS's sustainability management policy and ensure their sustainable development performance meets the requirements of various management systems through regular audits, ensuring that suppliers consistently meet our expectations.

Social Responsibility Code of Conduct Statement

Key content

1. Compliance with the Supplier Code of Conduct to ensure a safe working environment in the supply chain and ensure that employees are treated with respect. Implementation of business activities that comply with environmental and ethical requirements, and adherence to this code in various aspects such as labor, health and safety, environment, business ethics, and management systems, in order to uphold labor rights and provide dignity and respect.
2. Establishing a healthy and safe working environment that prohibits the use of child labor (at or below the minimum legal employment age in the respective country / region).

Supplier Social Responsibility Management Evaluation Form

According to the statement provided, the following design is based on the key content:

A Supplier Social Responsibility Management Assessment Form will be developed to allow suppliers to self-assess and verify their compliance with the sub-items listed in the form under the five main categories: labor, health and safety, environment, ethical standards, and management systems. Suppliers will evaluate whether they have implemented and taken improvement actions for each specific item in the form.

Based on supplier risk assessment, regular on-site assessments or written evaluations are conducted. For identified deficiencies during the assessment, suppliers are required to submit improvement plans within a specified timeframe. Once confirmed by the KINSUS assessment team, the cases are closed.

In 2022, a total of 24 suppliers with high-risk profiles, including raw material suppliers, on-site contractors, and hazardous waste disposal providers, are scheduled for on-site assessments. KINSUS successfully completed audits for all 24 suppliers, achieving a 100% completion rate.

Raw Material Supplier	Contractors for On-site Personnel	Hazardous Business Waste Processor	Total
15	4	5	24

Note: **High risk:** (1) Raw material suppliers and top 20 domestic manufacturers with annual transaction value
(2) Contractors of personnel stationed in the factory and manufacturers of hazardous industrial waste disposal

Auditors	Major Missing	Minor Deletion	Recommendations	Number of Outstanding Cases	Case Closure Rate
24	0	1	16	0	100%

Supplier's Implementation of Social Responsibility Self-Assessment

In addition to the on-site assessment, KINSUS also provides a social responsibility self-assessment form for medium-risk suppliers. Evaluate its positive and specific norms for environmental protection, labor rights and conditions, safety and health, so as to implement the supplier's corporate social responsibility.

Note: **Moderate risk:** 1. Raw material suppliers and top 20 foreign manufacturers or (their) agents with annual transaction value.
2. Top 10 domestic equipment / engineering manufacturers of equipment / engineering and annual transaction value.
3. Non-hazardous industrial waste disposal manufacturers.

2022, 12 suppliers completed the KINSUS of the supplier social responsibility assessment form:

Number of Self-evaluators

37

Finished

12

Unfinished

25

Completion Rate

32%

Supplier environmental protection, social responsibility mechanism and delivery management:

Suppliers involved in engineering works and maintenance at various company-owned facilities are required to comply with the purchasing contracts and related requirements. In addition to the supplier standards and requirements, environmental and safety personnel conduct environmental professional audits based on the "Supplier Management Operation Procedure Manual" and the "Contractor Environmental and Occupational Health and Safety Management Guidelines" for procurement operations.

The new supplier guarantees that its manufacturing facility management, product manufacturing processes, and the products or services provided do not violate any relevant laws and regulations. In the purchasing contract, it is ensured that the production, manufacturing, labeling, packaging, storage, handling, transportation, import/export, delivery, installation, commissioning, or service provision processes of the products fully comply with all applicable laws and regulations of the relevant countries.

During the social responsibility audit, reminders, guidance, and auditing actions are taken regarding the new supplier's employees in terms of working hours, safety, and labor disputes.

4.6 Ethical Procurement

Conforming to the management regulations of hazardous substances:

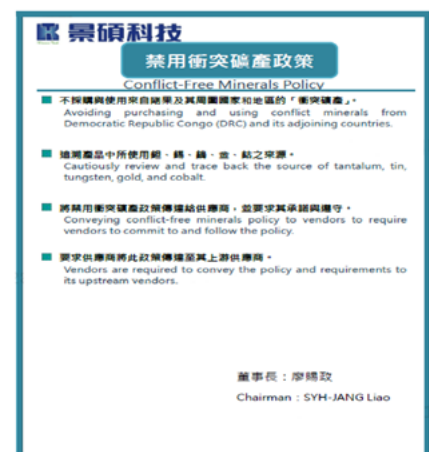
In order to maintain health and environmental safety, KINSUS Technology has passed the IECQ QC 080000:2017 Hazardous Substance Process Management System Verification, and complies with the EU RoHS Directive (2011/65/EU), EU Chemicals Policy Act (REACH) and California Proposition 65. At the same time, we are also committed to complying with the relevant requirements of various countries and customers on chemical substances, and we also require suppliers to comply with the regulations on restricted or banned hazardous chemical substances.



Responsible mineral procurement:

KINSUS Technology strictly adheres to the Responsible Business Alliance (RBA) and commits to not purchasing or using minerals from conflict-affected and high-risk areas. The company conveys its policy of prohibiting the use of conflict minerals to its suppliers and requires their commitment and compliance. KINSUS also mandates that suppliers extend this policy to their upstream suppliers, ensuring the responsible sourcing of tantalum, tungsten, tin, gold, and cobalt used in the products. This commitment reflects KINSUS's dedication to corporate social responsibility.

KINSUS Technology has announced to apply conflict-free-minerals not only on its website but also incorporated it into supplier management. Suppliers are required to sign a Non-use Conflict Minerals Guarantee, ensuring that all materials, products, or components delivered to KINSUS do not contain conflict metals, either directly or indirectly. This commitment emphasizes KINSUS's dedication to responsible sourcing and its efforts to prevent the use of minerals that may contribute to conflict or human rights abuses.









05

Green Production

- Climate change risk, potential operational impact, and adjustment

- 5.1 Environmental Policies and Commitments
- 5.2 Climate Change and Low-carbon Manufacturing
- 5.3 Renewable Energy and Resource Conservation/ Efficiency
- 5.4 Water Resource Management
- 5.5 Waste Management
- 5.6 Air Pollution Prevention and Control
- 5.7 Promotion of Environmental Sustainability
- 5.8 Environmental Greening and Beautification

Climate change is one of the environmental issues of current concern to the United Nations, governments, society, and the business community. In accordance with the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) established by the International Financial Stability Board in 2019, Kinsus has formulated the following indicators and targets for corporate governance, strategy, and risk management as outlined in the table below:

Management Level	Kinsus's Response Measures
 <p>Governance</p>	<p>The ESG Sustainability Committee conducts risk identification, prioritization, and response measures. It regularly reports to the Board of Directors and senior management to review the effectiveness of risk management, providing decision-making and guidance.</p> <p>Based on the results of discussions and resolutions made by the Board of Directors, the ESG Sustainability Committee formulates policies and improvement goals. It mandates relevant units to adjust operations accordingly. The Committee periodically or ad-hoc reports to the Board of Directors on the implementation status of climate change issues, ensuring that the Board understands and manages the climate change risks faced by the company.</p>
 <p>Strategy</p>	<p>Assessment, classification, and prioritization of substantial risks posed by climate change to Company assets are conducted. Response strategies, precise preventive measures, and emergency response plans are established. In the event of a crisis or disaster, appropriate response measures and recovery plans are immediately proposed to mitigate potential impacts and damages.</p> <p>In terms of transition risks, the Company aligns with the trend of energy diversification and complies with the regulations and goals of the Renewable Energy Development Act. Planning and projects for purchasing renewable energy and investing in green energy certificates are carried out.</p>
 <p>Risk Management</p>	<p>Following the framework of the TCFD, climate risks are identified through reports from international institutions, industry analysis, and relevant regulations. The intensity of financial or strategic impacts and the likelihood of their occurrence are weighted to determine the magnitude of the risk. Risk issues are prioritized based on their importance.</p>
 <p>Indicators and Targets</p>	<ul style="list-style-type: none"> Greenhouse gas emissions reduction Continuous reduction of air pollution emissions Development of renewable energy sources such as solar power Strengthening the resilience and effectiveness of the Company's response to climate change



Facing the issue of climate change, Kinsus's short, medium, and long-term indicators for environmental management are as follows:

	Short-term Indicators (2022~2023)	Mid-term Indicators (2024~2027)	Long-term Indicators (2028+)
Climate Change and Energy Conservation	Implementation of Energy Conservation and Carbon Reduction Project - Electricity savings of 3 million kWh Strengthening Climate Resilience: 0 days of production disruption due to climate-related disasters Greenhouse Gas Emission Reduction: 1,500 tons of CO ₂ Installation of Renewable Energy: 4.3 million kWh of electricity	Electricity savings: 4 million kWh 0 days of production disruption due to climate-related disasters 2,000 tons of CO ₂ Installation of Renewable Energy: Above 4.3 million kWh of electricity	Electricity savings: 600,000 kWh Zero days of production disruption due to climate-related disasters 30 tons of CO ₂ Installation of Renewable Energy: Above 4.3 million kWh of electricity, subject to adjustment based on renewable energy supply
Waste	No Violations of Waste Regulations Proper Handling: 100% of waste processed by authorized entities Resource Recycling Rate of 82% or Higher	No Violations of Waste Regulations 100% of waste processed by authorized entities Resource Recycling Rate of 82.5% or Higher	No Violations of Waste Regulations 100% of waste processed by authorized entities Resource Recycling Rate of 83% or Higher
Air Pollution	No Violations of Air Pollution Regulations No Violations of Wastewater Discharge Regulations	No Violations of Air Pollution Regulations No Violations of Wastewater Discharge Regulations	No Violations of Air Pollution Regulations No Violations of Wastewater Discharge Regulations
Water Resources	Increase Water Recycling Rate to 8.5% Water Management: No production losses due to water restrictions: 0 PCS	Increase Water Recycling Rate to 9% Water Management: No production losses due to water restrictions: 0 PCS	Increase Water Recycling Rate to 10% Water Management: No production losses due to water restrictions: 0 PCS
	Regulatory Compliance: No Violations of Environmental Regulations	Regulatory Compliance: No Violations of Environmental Regulations	Regulatory Compliance: No Violations of Environmental Regulations

| Objectives and Performance of Major Topics

Kinsus is committed to fulfilling its environmental protection responsibilities and becoming a sustainable development enterprise. It continuously improves based on the above-mentioned short, medium, and long-term energy conservation and carbon reduction indicators, as well as related implementation plans (as shown in the table below), to reduce potential impacts on society and the environment.

Climate Change and Energy Conservation

2023 Target	2022 Target	2022 Performance
Electricity Savings: 3 million kWh	Not set (baseline year)	2.92 million kWh
0 day of production interruption caused by weather disasters	Not set (baseline year)	0 days
Greenhouse Gas Emission Reduction: 1,500 tons of CO ₂	Not set (baseline year)	1,486.23 tons
Installation of renewable energy: 4.3 million kWh	Contract signing	Signing Completed

Waste Management

2023 Target	2022 Target	2022 Achievement of Performance
Resource Recycling Rate: ≥82%	Not set (baseline year)	81.88 %
No Violations of Waste Environmental Regulations	Not set (baseline year)	0 cases

Air Pollution

2023 Target	2022 Target	2022 Achievement of Performance
No Violations of Waste Environmental Regulations	Not set (baseline year)	0 cases

Water Resources Management

2023 Target	2022 Target	2022 Achievement of Performance
0 Violations of Wastewater Discharge in Compliance with Regulations	Not set (baseline year)	0 cases
Water Recycling Rate: ≥8.5%	Not set (baseline year)	8.2%
Production Loss due to Water Restrictions: 0 PCS	Not set (baseline year)	0 PCS

The risk types, potential operational impacts, and adjustment methods of climate change are as follows:

Risk Type	Potential Operational Impacts	Adjustment Methods
Substantial Risks	<p>Earthquake, flood, typhoon, wastewater discharge</p> <ul style="list-style-type: none"> Impact on production capacity, increased operating costs, and decreased revenue Inability to deliver on schedule or interrupted deliveries, resulting in customer penalties Fines for regulatory non-compliance 	<ul style="list-style-type: none"> Establish comprehensive water resource management and control measures Increase water storage capacity to support 3-5 days (3 days during drought) Water trucks to support water-deficient areas Regular inspection of process equipment in all factories Wastewater management policies in compliance with environmental regulations
	<p>Drought, power outage, water shortage, power surge</p>	<ul style="list-style-type: none"> Water trucks to support water-deficient areas Uninterruptible power supply (UPS) system for IT infrastructure Automatic activation of generators to supply emergency power for firefighting needs
	<p>Rising temperature</p> <ul style="list-style-type: none"> Increased electricity consumption and greenhouse gas emissions Increased emission 	<ul style="list-style-type: none"> Promote energy-saving concepts and measures; replace light bulbs with energy-efficient ones

	Risk Type	Potential Operational Impacts	Adjustment Methods
Transition Risks	Emission control	<ul style="list-style-type: none"> Increased operating costs Increase emissions 	<ul style="list-style-type: none"> Replacement of old, energy-intensive equipment Evaluation and control of hazardous gas emissions in production processes
	Corporate image	<ul style="list-style-type: none"> Negative feedback from stakeholders towards the Company 	<ul style="list-style-type: none"> Managed and improved by the ESG Sustainability Committee Strengthen implementation of energy-saving and water-saving facilities in green processes

Environmental risk



Significant Risk/ Energy Saving and Carbon Reduction

- Achieve an annual energy saving target of 1 million kWh through greening of the plant and equipment improvements.
- Reduce the use of disposable tableware by providing environmentally friendly utensils.
- Replace old equipment and plan to purchase energy-efficient equipment and implement improvement projects.



Significant Risk/ Water Resources

- Maximize water resource efficiency through recycling, water quality management, and pollution prevention, aiming for a yearly recycling rate of over 7%



Significant Risk/ Waste Management

- Total waste generated in 2022 was 13,698.06 metric tons
- Establish the "Waste Management Operating Procedures" to regulate the classification, collection, storage, and disposal processes of industrial waste
- Increase the proportion of recyclable waste and reduce incineration of non-recyclable waste

Environmental management expenditure in 2022: NTD 82,024,015

For details, please see the 2022 Kinsus Environment-related Expenses and Benefits Table / P.86

5.1 Environmental Policies and Commitments

In terms of environmental policy, Kinsus is committed to fulfilling its environmental protection responsibilities and becoming a sustainable development enterprise by continuously improving and striving to:

Compliance with Regulations

Comply with relevant environmental regulations and strive to meet international environmental standards.

Waste Reduction in Production

Continuously promote waste reduction in production to fulfill the commitment to pollution prevention.

Green Energy Production

Newly established factory areas comply with green building standards and continuously enhance measures for energy conservation and carbon reduction.

Recycling Strategy

Review and assess the recycling and reuse of water, metals, plastics, and chemicals used in company activities. Raise awareness among employees about the importance of resource recycling and promote environmental concepts and literacy.

Kinsus has established an appropriate environmental management system based on ISO 14001:2015 (as shown in the diagram on the right) and has designated a dedicated unit responsible for environmental management and maintenance.

In response to the risks of climate change and energy supply, Kinsus actively identifies the risks posed by water-related disasters, droughts, typhoons, power outages, and water shortages. It regularly manages the operational impacts and damages caused by extreme weather events. The company implements adaptation policies and solutions to address climate risks and takes proactive measures in response.

In 2022, the Company did not receive any penalties from regulatory authorities for violations of environmental regulations.



5.2 Climate Change and Low-carbon Manufacturing

Climate Change

With the adoption of the Paris Agreement by the United Nations, climate change has become a crucial issue that governments and businesses worldwide must prioritize. Kinsus recognizes the potential economic and social impacts of climate change and considers environmental factors throughout the product lifecycle. The Company develops preventive measures for climate change to mitigate climate impacts and external costs.

Greenhouse Gas Policy and Emissions

Due to the impact of greenhouse gases, the Earth's climate and environment have experienced drastic changes. This has led to frequent droughts and floods in both the northern and southern hemispheres. The average global temperature has already risen by nearly 1 degree Celsius, significantly affecting economic development in various regions. As a responsible global citizen, Kinsus conducts a greenhouse

gas emissions inventory for the year 2022 in accordance with the ISO 14064-1:2018 standard. The Company has also set goals for sustainable development in energy conservation and carbon reduction to gain a comprehensive understanding of its emissions and to establish targets for future improvement.

Kinsus's 2022 greenhouse gas inventory was primarily based on the factory as a unit. The organizational boundary was established to encompass 100% operational control and included four factory areas, including Shih-Lei factory, Tsing-Hua factory, Xing-Feng factory¹ and Xing-Feng factory². The inventory scope also extended to employee dormitories within and outside the plant areas.

Due to adjustments in the organizational boundary, 2022 was set as the baseline year for the inventory. The inventory considered seven categories of greenhouse gases, namely carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). It's important to note that the fuels used in categories 1 and 2 of the inventory did not contain any biomass components.

The quantified results of the Company's greenhouse gas inventory are as follows:

Category 1: Direct greenhouse gas emissions: 16,213.4354 metric tons CO₂e. **Category 2:** Indirect energy-related emissions (excluding upstream emissions from electricity generation): 254,282.1480 metric tons CO₂e (accounting for 59.468% of the total). Total greenhouse gas emissions: 270,495.583 metric tons CO₂e.

Year Category	2021			2022		
	Direct Emissions Sources (Category 1)	Indirect Energy-related Emissions Sources (Category 2)	Total	Direct Emissions Sources (Category 1)	Indirect Energy-related Emissions Sources (Category 2)	Total
1. Natural Gas Consumption (cubic meters)	1,100,073.322	-	-	1,459,807.6451	-	-
1-1 Emissions Equivalent (metric tons CO ₂ e/year)	2,069.111	-	2,069.111	2,765.6591	-	2,765.6591
2. Diesel Fuel Consumption (liters)	257,960	-	-	38,022.89	-	-
2-1 Emissions Equivalent (metric tons CO ₂ e/year)	529.831	-	529.831	100.4952	-	100.4952
3 Electricity Consumption (million kWh)	-	458.55	-	-	499.57	-
3-1 Emission Equivalent (metric tons CO ₂ e/year)	-	233,403.782	233,403.782	-	254,282.148	254,282.148
4. Other Emissions Equivalent (metric tons CO ₂ e/year)	13,695.016	-	-	13,347.2811	-	13,347.2811
Total Emissions Equivalent (metric tons CO ₂ e/year)	16,293.958	233,403.782	249,697.74	16,213.4354	254,282.1480	270,495.583
Percentage (%)	6.526	93.474	100	5.994	94.006	100.00

Note: GWP values used are from the IPCC Sixth Assessment Report: 2021

Note: The quantified items for indirect greenhouse gas emissions sources (Categories 3-6) in 2022 include 3.1 upstream transportation of goods, 3.2 downstream transportation of goods, 4.1 emissions from the purchase of (consumable) products, and 4.3 emissions from solid and liquid waste.



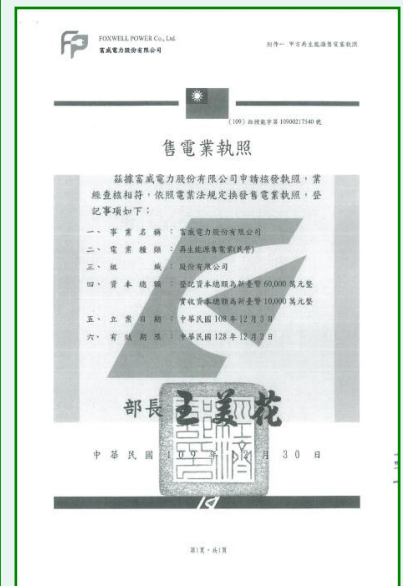
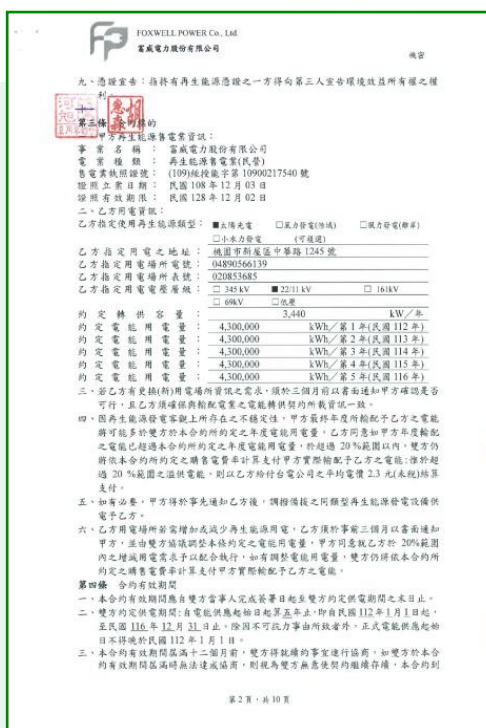
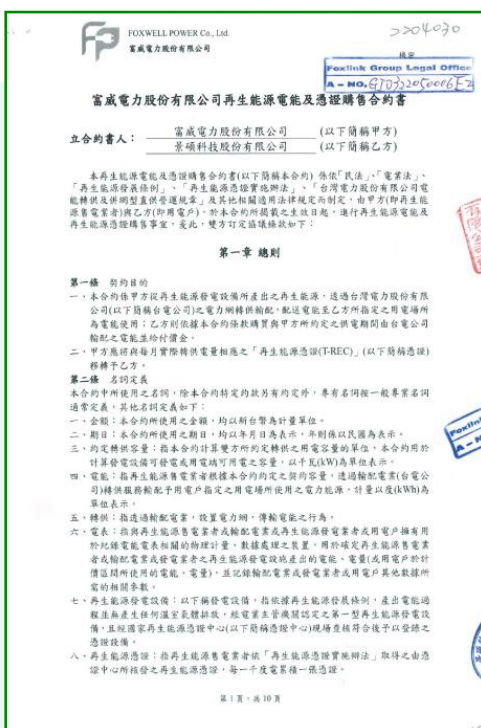
5.3 Renewable Energy and Resource Conservation / Efficiency

Renewable energy

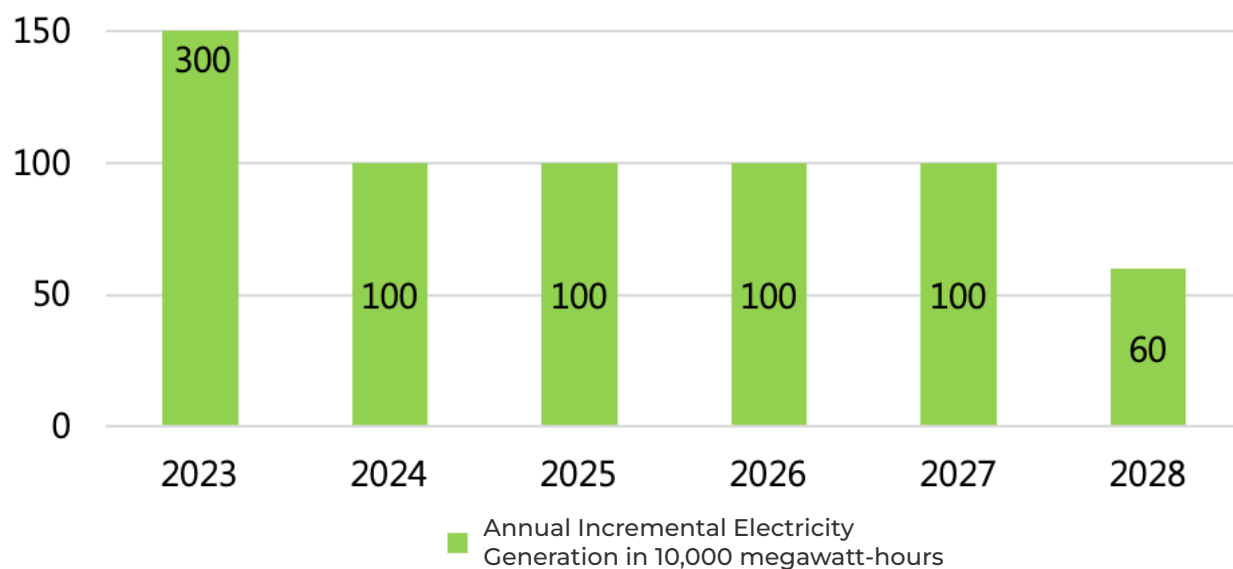
The Company responds to the management of greenhouse gas emission reduction in order to achieve CO2 reduction goals. In 2022, we continued to improve energy efficiency and implement greening initiatives in the factory to effectively control carbon emissions. By 2050, we aim to synchronize with government policies by using renewable energy and reducing indirect CO2 emissions from electricity consumption, thus realizing a sustainable future for the environment.

In response to requirements of the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity issued by the Ministry of Economic Affairs, Kinsus actively completed the signing of green energy purchase contracts in 2022. The scale of this contract reaches a power generation capacity of 4.3 million kWh per year. We have also fulfilled the obligation to install capacity in accordance with the regulatory requirements ahead of schedule in 2023.

To achieve the policy of using renewable energy by 2050, Kinsus has initiated a transition in its energy structure and plans to increase the proportion of renewable energy sources.

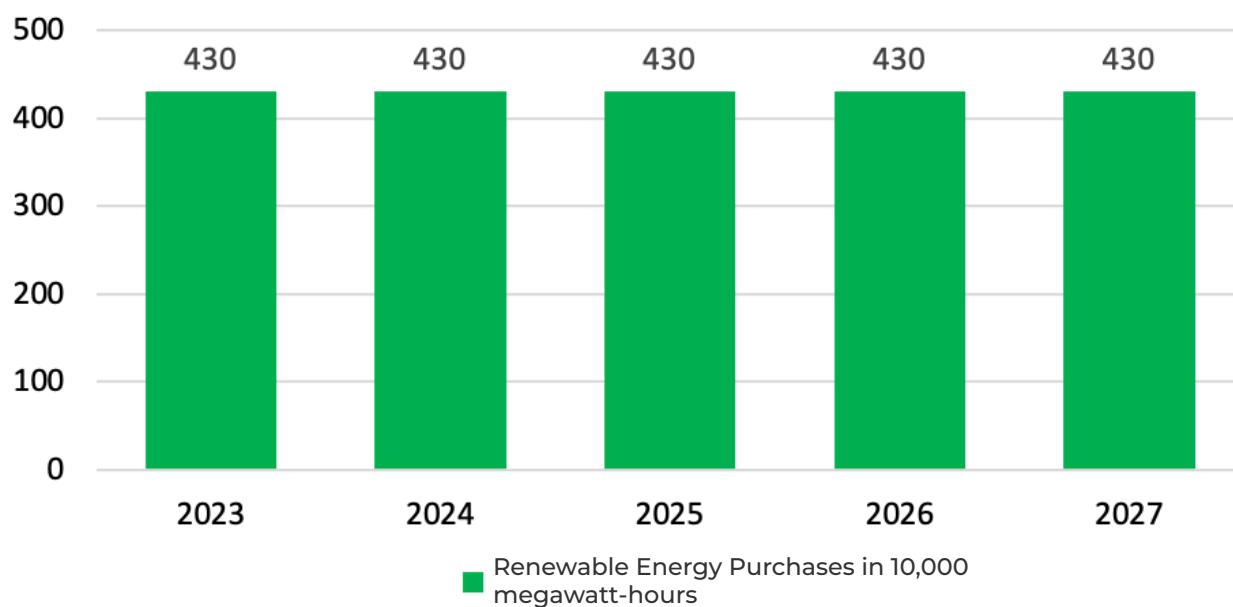


Electricity Saving Goals for 2023-2028



Energy Saving Goals	Short-term						Mid-term	Long-term	
Item	2023	2024	2025	2026	2027	2028~			
Annual Incremental Electricity Generation (in 10,000 megawatt-hours)	300	100	100	100	100	60			

Renewable energy purchasing volume 2023~ 2027




Year	2023	2024	2025	2026	2027
Renewable Energy Purchase	430	430	430	430	430

5.4 Water Resource Management

Water Resource Risk Management

Key indicators for water resource risk management include water supply quantity and environmental discharge water quality. Kinsus identifies water risks within its factory areas and establishes comprehensive emergency response procedures. It also expands regional water resource sources and promotes the reuse of recycled water.

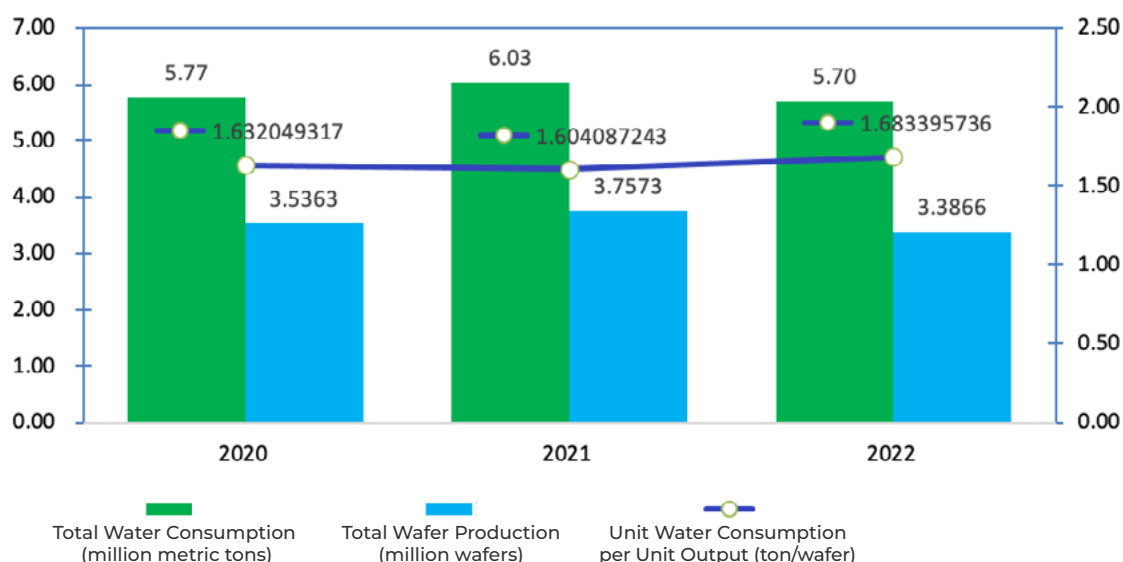
Risk Type	Type	Potential Operational Impact	Adjustment Methods
	Drought or Water Scarcity Flood Risk Untreated Wastewater Discharge	<ul style="list-style-type: none"> Affect production capacity, increase operating costs and decrease the revenues. Failure to deliver or interrupt delivery on schedule. 	<ul style="list-style-type: none"> Establish comprehensive water resource management and control measures Increase water storage capacity to support 3-5 days (3 days during drought) Water trucks to support water-deficient areas Regular inspection of process equipment in all factories Wastewater management policies in compliance with environmental regulations

Water Resource Usage

Kinsus is located in an industrial area classified as a moderate water resource risk zone. The main water source is primarily from the Shihmen Reservoir. The daily water usage in the factories ranges from approximately 3,579 to 7,923 metric tons. In 2022, the total water usage in all factory areas was 5.70 million metric tons. The water consumption in the past two years is shown in the following table:

Unit: metric ton(s)

Year Item	2021			2022		
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1
Tap Water Volume	1,020,215	2,200,508	492,455	907,447	2,148,755	513,743
Groundwater Volume	877,752	789,361	646,746	595,333	743,047	792,663
Total	6,027,037			5,700,988		
Daily Average Usage	5,200	8,191	3,121	4,117	7,923	3,579



Year	2020	2021	2022
Total Water Consumption (million metric tons)	5.77	6.03	5.70
Total Wafer Production (million wafers)	3.5363	3.7573	3.3866
Unit Water Consumption per Unit Output (ton/wafer)	1.63	1.60	1.68

Water Conservation Measures:

Kinsus is committed to continuous improvement and innovation in water conservation. Through water conservation measures, we aim to achieve efficient use of resources while actively seeking new opportunities for water-saving.

1) Cooling Tower Management

- Enhancing water quality concentration to reduce discharge.
- Monitoring water quality and assessing chemical treatments.
- Utilizing reverse osmosis (RO) concentrated water in cooling towers and washing towers to minimize water usage at the source.

2) Periodically promoting water-saving awareness and information among employees.

According to operational statistics from 2021 to 2022, the annual water recycling rate has been maintained at 7% or above.

Year	→	2021	2022
Recycling Rate	→	7.7%	8.2%

Wastewater Management Measures

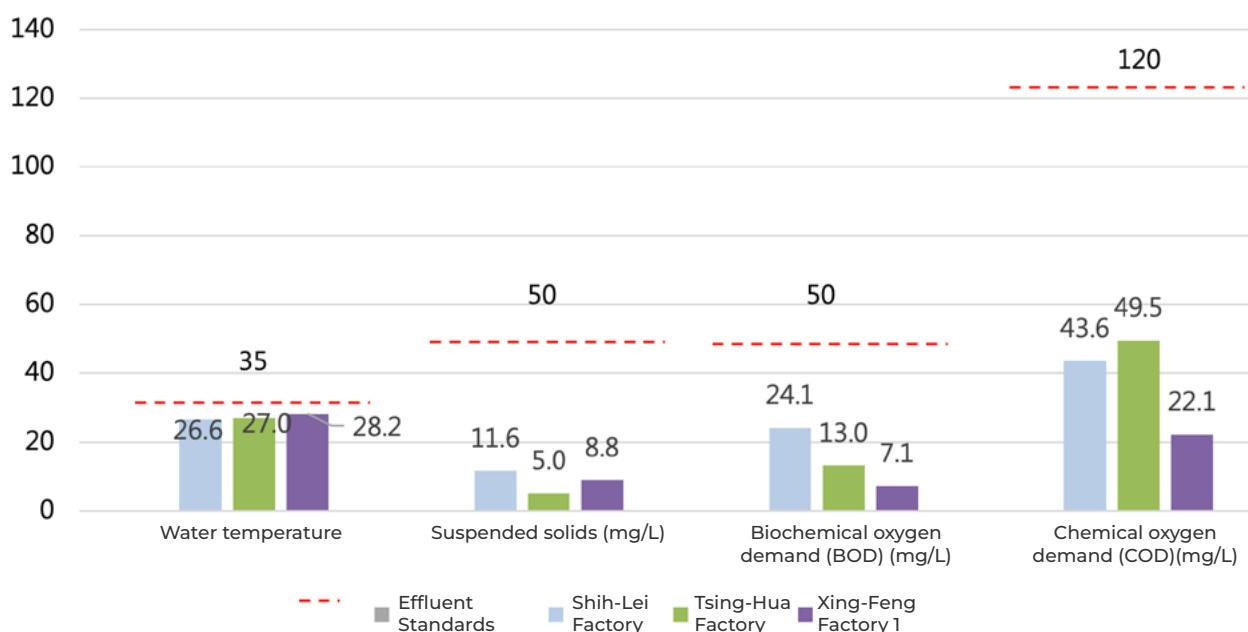
Kinsus's factories regularly monitor wastewater and ensure that the discharged water quality exceeds regulatory standards. We committed to staying informed about and complying with domestic environmental regulations. This proactive approach allows Kinsus to adapt to and stay ahead of environmental requirements and trends in the industry.

Industrial wastewater is sampled and analyzed by qualified testing organizations every quarter in accordance with the Water Pollution Control Act. The results are submitted through wastewater testing declaration forms and reported to the local environmental authorities for verification. Throughout 2022, there were no violations of wastewater discharge standards, and no pollution impact on the surrounding environment was observed.

KINSUS has installed automatic continuous monitoring facilities at the discharge outlets throughout its factory. Daily self-testing of the wastewater quality is conducted, and external testing is carried out at least four times per year. The data from these tests are used to calibrate and ensure the stability of the online monitoring instruments. The following is the report containing the wastewater quality testing data from the factory areas.

Testing Frequency / Testing Items (unit)	General Water Quality (once/3 months)				
	pH Value	Water Temperature (°C)	Suspended Solids (mg/L)	Biochemical Oxygen Demand (mg/L)	Chemical Oxygen Demand (mg/L)
Protection Agency discharge water standards	6~9	35 以下	50	50	120
Shih-Lei Factory	7.3	26.6	11.6	24.1	43.6
Tsing-Hua Factory	7.7	27.0	5.0	13.0	49.5
Xing-Feng Factory 1	7.4	28.2	8.8	7.1	22.1

Average Results of Outsourced Testing for Effluent and Emission Standards in 2022



Note: The data in the above table is in compliance with the Water Pollution Control Measures and Test Reporting Management Regulations. The parameters for water quality are tested every three months, and the average values are calculated to one decimal place.

Note: The effluent items not listed in the above table are all tested in accordance with the Water Pollution Control Measures and Test Reporting Management Regulations, and meet the Effluent Standards stipulated by the Bare Printed Circuit Boards Manufacturing Industry.

Water Pollution Prevention Measures:

- 1) Rolling review and management using the PDCA (Plan-Do-Check-Act) cycle to address process changes and reduce environmental impacts from pollution sources.
- 2) Treatment equipment is designed with an N+1 redundancy system, ensuring stable operation 24 hours a day and 365 days a year. Real-time monitoring systems record operational parameters, and if the values exceed predefined thresholds, immediate alerts will be triggered.

5.5 Waste Management

Kinsus has established an internal "Industrial Waste Management Procedure" that focuses on environmental considerations from the perspective of product life cycle. This procedure regulates the classification, collection, storage, and disposal of industrial waste. The aim is to use management measures to remove waste, improve environmental hygiene, and prevent the proportional increase of waste production as the production capacity grows, thus avoiding environmental threats.

Requirements for Suppliers

Reusable packaging containers are preferred, and if non-reusable containers are used, they must be made of recyclable materials. Waste generated during the supply process should be recyclable or classified as officially recyclable waste.



Requirements for Production

Source control is implemented for production materials, avoiding the use of raw materials and equipment materials that cannot be effectively handled by current environmental technologies. Reviewing the recycling and reuse of process raw materials/waste is emphasized to reduce unnecessary resource waste and promote circular reuse.



Requirements for Employees

Employees receive environmental, safety, and health education and training on their first day of work. They are educated on waste sorting, aiming to raise the environmental, safety, and health awareness and competence of every employee. Waste bins are placed at designated locations along employee routes, in tea rooms, vending machine areas, etc., to facilitate independent sorting of recyclable waste. Each location should have at least five or more waste sorting categories, contributing to sustainable environmental practices and making a social impact.



Requirements for Waste Treatment and Recycling

The suitability of waste treatment channels is reviewed annually, and environmentally friendly disposal methods are preferred when selecting waste treatment contractors. In 2021, the proportion of waste treated by incineration accounted for 17.53% of the total waste, which increased to 18.12% in 2022. The proportion of waste recycling also decreased from 82.46% to 81.88%.



Transforming Waste into Energy: Starting from 2023, the Company plans to actively promote the conversion of product waste from incineration to the production of auxiliary fuel rods. This continuous conversion of waste into renewable energy aims to contribute to the well-being of the planet.

The following table provides statistics on recyclable and non-recyclable waste in the past two years:

Waste Classification	Hazardous	2021			2022		
	Year	General Industrial Waste	Hazardous Industrial Waste	Proportion	General Industrial Waste	Hazardous Industrial Waste	Proportion
	Final Disposal Method	Quantity (tons)		Percentage	Quantity (tons)		Percentage
Non-recyclable Waste	Incineration, Solidification and landfill	1660.96	673.65	17.53%	1877.49	587.26	18.12%
	Reused (Thermal Treatment)	0.65	0	0.005%	1.45786	0	0.01%
Recyclable Waste	Reused (Chemical Treatment)	1.59	625.64	4.71%	0.07	357.21	2.63%
	Reused (Physical Treatment)	295.19	0.4	2.22%	954.47	22.32	7.18%
	Reused (Solidification Treatment)	0	0	0.00%	0	0	0.00%
	Reuse by Regulation	749.15	7652.8	63.10%	616.8	7555.22	60.07%
	Declared Reuse	1655.71	0	12.43%	1631.303	0	11.99%
	Subtotal	2702.27	7923.04	82.46%	3204.10	7717.63	81.88%
Total:		4363.25	8952	100.0%	5081.590	8522.3	100%

Kinsus 2023 Policy Objective: Under the goal of "Resource Recycling," we aim to achieve a recycling rate of 82%.

Note: The scope of data covers Shih-Lei Factory, Tsing-Hua Factory, and Xing-Feng Factory¹.

5.6 Air Pollution Prevention and Control

Air Pollution Management

In recent years, governments worldwide have increasingly recognized the importance of improving air quality, and air pollution has become a significant environmental concern globally. Kinsus has been proactive in planning and implementing air pollution prevention measures since the establishment of its factories, in response to the global trend. Through internal audits, self-examination, and effective preventive maintenance, training, and operations, the Company ensures effective pollution control. KINSUS is committed to continuous improvement in pollution prevention and hazard prevention. In 2022, there were no violations of the Air Pollution Control Act.

Optimization of Air Pollution Control Equipment

- (1) Pre-assessment of potential harmful pollution factors during the production process to minimize environmental impacts.
- (2) Installation of comprehensive air pollution control systems such as dust collectors and wet scrubbers to prevent odors and reduce pollutant emissions, effectively suppressing the occurrence of air pollution.
- (3) To ensure the uninterrupted operation of pollution control equipment 24 hours a day throughout the year, all air pollution control devices are equipped with back-up systems (N+1 design). This ensures zero failure of pollution control equipment and enables stable and continuous monitoring of pollutant emissions.

5.7 Promotion of Environmental Sustainability

Kinsus aims at environmental sustainability and continuously promotes the following measures to reduce waste generation and reduce the use of original resources to promote the concept of green circulation.

Environmental Specialist Appointment

In response to rapid environmental changes and the need for effective prevention and control of environmental pollution, Kinsus complies with the requirements of the Environmental Protection Administration (EPA) requirements to appoint environmental specialist To minimize the impact on the environment and human health in the event of accidents, these specialists possess the necessary expertise in various types of pollution prevention and control. They regularly participate in external training organized by the EPA to enhance their capabilities in pollution prevention and equipment management.

Type	Required Specialist Numbers	Shih-Lei Factory	Tsing-Hua Factor	Xing-Feng Factory I	Result
Wastewater	3 personnel (dedicated unit)	3	3	3	Compliant 
Air Pollution	1 dedicated personnel	1	1	1	Compliant 
Waste	1 dedicated personnel	1	1	1	Compliant 
Toxic Substances	1 general-level personnel	1	-	1	Compliant 
	1 personnel each for operational and technical levels	-	2	-	Compliant 

Environmental Management Policy

In recent years, the significance of environmental protection has been increasingly recognized, leading to higher demands for environmental management. Additionally, emission standards for various pollutants have been gradually raised. Since its establishment in September 2000, Kinsus has invested hundreds of millions of New Taiwan Dollars in purchasing pollution control equipment and replacing outdated equipment. We have also adopted energy-efficient equipment to fully engage in pollution prevention and control efforts and work towards the sustainable goal of energy conservation and carbon reduction.

2022 Kinsus Environment-related Expenses and Benefits Table is as follows:

Year	2022			Benefits
Item	Shih-Lei Factory	Tsing-Hua Factor	Xing-Feng Factory 1	
Water Quality Testing Fee	862,230	608,850	775,980	The water quality testing fee includes testing of raw wastewater, rainwater, and drinking water to ensure compliance with the Water Pollution Control Act and provide employees with qualified drinking water, prioritizing employee health
Industrial Waste Disposal Fee	11,734,363	31,033,770	8,518,784	Compliance with laws and regulations: Proper disposal of industrial waste generated from business productions and employees
Air Pollution Fee	34,459	144,498	4,842,443	Compliance with laws and regulations: Maintaining the normal operation of equipment to effectively improve air quality
Water Pollution fee	367,750	1,825,358	43,031	Compliance with laws and regulations: Reducing soil and groundwater pollution
Improvement of Energy Equipment Fee		20,400,000		The Shih-Lei Factory is accelerating the replacement of old equipment, including three 350-horsepower screw air compressors and one heat recovery type chiller, to achieve energy conservation, electricity saving, and carbon reduction goals
Management Cost	289,309	289,309	253,881	Verified through management systems to achieve environmental sustainability KPIs
Total Environmental Expense		82,024,015		

Greening of the Factory Area and Organic Composting

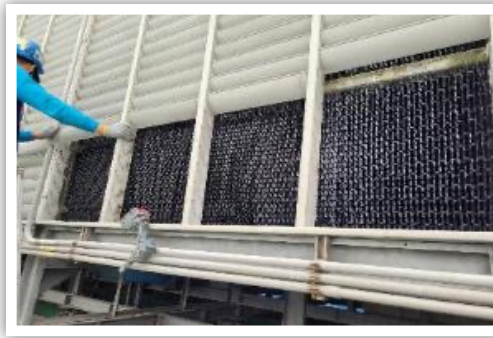
Each factory area has a large area of tree planting, utilizing the collected fallen leaves as organic fertilizer. This practice helps maintain soil structure and increase its nutrient capacity. The non-toxic and easily biodegradable nature of organic composting reduces environmental pollution and enhances land friendliness. Additionally, the emission of “phytoncides” by trees is known to have stress-relieving and rejuvenating effects. Incorporating these elements into daily life also contributes to improving the physical and mental well-being of employees.

Energy-saving Activities and Promotion

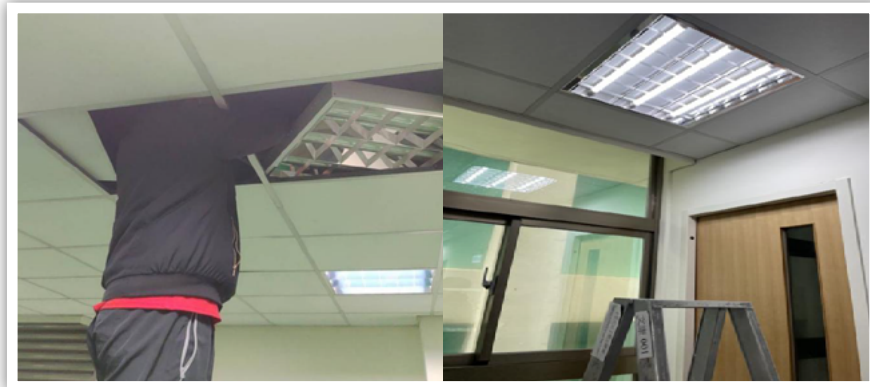
Efforts to promote energy conservation, reduce power consumption, and minimize carbon emissions are actively pursued. This includes replacing lighting fixtures with energy-efficient LED lights, utilizing motion-sensing lighting, and installing variable frequency devices in factories, and implementing solar power systems in new factories as effective measures to save electricity.



Replacement of 500RT chiller in Shih-Lei Factory



Replacement of heat sink fins of chillers in Xing-Feng Factory



LED Light Replacement Operation by Factory Personnel

5.8 Environmental Greening and Beautification

In response to the rapid development of the industry, Kinsus established the Shih-Lei Factory in Xingwu District in 2000, Tsing-Hua Factory in 2004, and Xing-Feng Factory in Hsinchu in 2014. Besides increasing the business volume of the Xingwu Factory, these expansions also created more employment opportunities in Taoyuan and Hsinchu areas. When establishing the factories, Kinsus not only obtained environmental assessments and approvals from the local Environmental Protection Departments, but also focused on beautifying the environment, purifying the air, and reducing the emissions of harmful gases to promote a healthy working environment. Due to frequent pedestrian and vehicle traffic within the factory premises, Kinsus has enhanced tree planting along the main roads at the factory entrances and around the buildings. This not only improves air quality but also enhances employee happiness, resulting in minimal impact on biodiversity from the operations, products, and services of each factory. In addition, we have created diverse ecological habitats within the green areas by constructing ecological ponds, enriching the ecological foundation. The unique characteristics of the greening and beautification plans for each of the three factories are as follows:

Shih-Lei Factory

Green Area: 281 Taiwanese pings (≈ 929.186 square meters), including a 51 pings (≈ 168.786 square meters) koi fish pond. The green plants mainly consist of evergreen plants with some flowering plants, providing different scenery throughout the year. The koi fish pond houses 80 carefully selected koi fish, adding a dynamic atmosphere to the garden. When viewed from a higher location, the company logo "K" can be seen cleverly integrated into the pond. Additionally, two sky gardens have been created at the Shih-Lei Factory, providing more recreational spaces and visually comfortable environments for employees.



Tsing-Hua Factory

Green Area: 336 Taiwanese pings ($\approx 1,110.816$ square meters). The green plants mainly consist of evergreen plants with some flowering plants, providing different scenery throughout the year. The green areas are distributed around parking lots and administrative areas, enhancing the greenery in the view of visitors entering the factory entrance and during employee commuting hours, showcasing the Company's commitment to greening and beautification efforts.



Xing-Feng Factory

Green Area: 1,900 Taiwanese pings ($\approx 6,279.174$ square meters), including a 23 pings (≈ 76.018 square meters) koi fish pond. The green plants primarily consist of evergreen forest trees complemented by dwarf shrubs and flowering plants, creating multi-level green landscapes. Two Southern Pine pavilions are also built, designed with the concept of relaxation, to enhance the practicality of the green space and not just its aesthetic appeal, allowing employees to enjoy the greenery and completely unwind in nature during breaks and after work.





06

Friendly Workplace

- 6.1 Talent Policy and Commitment
- 6.2 Human Resource Structure
- 6.3 Talent Cultivation and Development
- 6.4 Salary and Benefits
- 6.5 Human Rights Protection: Listening to Employees 'Voices'
- 6.6 Workplace Health and Safety
- 6.7 Health Care
- 6.8 Health Promotion Activities

As part of its sustainable mission, Kinsus Interconnect Technology Corp. focuses on creating a friendly workplace, which encompasses significant issues related to personnel management, such as attracting and retaining talents (salary and benefits), employee training and development, labor relations, human rights protection, and safety and health. The short-term, medium-term, and long-term indicators for these areas are presented in the following table:

	Short-term Indicators (2022~2023)	Medium-term Indicators (2024~2027)	Long-term Indicators (2028 and Beyond)
Labor Relations	Employee Feedback Closure Rate 100%	Employee Feedback Closure Rate 100%	Employee Feedback Closure Rate 100%
	Total Turn Over Rate $\leq 20\%$	Total Turn Over Rate $\leq 20\%$	Total Turn Over Rate $\leq 20\%$
	Retention Rate with salary Suspension $\geq 80\%$	Retention Rate with salary Suspension $\geq 80\%$	Retention Rate with salary Suspension $\geq 80\%$
Training & Development	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$	Retention Rate of Newly Hired Taiwanese Employees (3 Months Retention) $\geq 80\%$
	Number of People Completing Pre-Employment Training Courses (Monthly) ≥ 15 people	Number of People Completing Pre-Employment Training Courses (Monthly) ≥ 17 people	Number of People Completing Pre-Employment Training Courses (Monthly) ≥ 20 people
	Number of First-Time Managers Promoted $\geq 6.0\%$	Number of First-Time Managers Promoted $\geq 6.5\%$	Number of First-Time Managers Promoted $\geq 7.0\%$
	Average Training Hours Per Person: 8H Passing Rate of New Employee Training Exam: 100%	Average Training Hours Per Person: 10H Passing Rate of New Employee Training Exam: 100%	Average Training Hours Per Person: 12H Passing Rate of New Employee Training Exam: 100%
Human Rights Protection	Workplace Wrongful Assault/Bullying: 0 Cases	Workplace Wrongful Assault/Bullying: 0 Cases	Workplace Wrongful Assault/Bullying: 0 Cases
	Employee Complaints/Mediation: 1 Case	Employee Complaints/Mediation: 1 Case	Employee Complaints/Mediation: 1 Case

Performance and Objectives of Material Topics:

At Kinsus Interconnect Technology Corp., we are committed to establishing a friendly workplace and adhering to GRI standards. We strive to create an environment that cares for employees, fulfills our responsibility in talent selection and retention, and serves as a driving force for sustainable development and continuous growth. Based on important aspects such as labor relations, training and development, human rights protection, ethics, and health and safety, we have developed short-term indicators and related implementation plans. We present the performance targets and achievements for the past two years in the table below. Our aim is to retain talented individuals who are suitable and have development potential, thereby enhancing the company's sustainability and competitiveness.

Labor Relations

2023 Performance Objectives	2022 Performance Objectives	2022 Performance Target
Employee Feedback Closure Rate 100%	Employee Feedback Closure Rate 100%	Employee Feedback Closure Rate 100% → Achieved
Total Turnover Rate $\leq 20\%$	Total Turnover Rate $\leq 20\%$	Total Turnover Rate 24% → Not Achieved
Retention Rate with Salary Suspension $\geq 80\%$	Retention Rate with Salary Suspension $\geq 80\%$	79% → Not Achieved

Training & Development

2023 Performance Objectives	2022 Performance Objectives	2022 Performance Target
Retention Rate of Newly Hired Taiwanese Employees (3 months Retention) ≥80%	Retention Rate of Newly Hired Taiwanese Employees (3 months Retention) ≥80%	Retention Rate 73.4 % → Not Achieved
Number of People Completing Pre-Employment Training Courses (Monthly) >15 People	Number of People Completing Pre-Employment Training Courses (Monthly) >15 People	18 People → Achieved
Average Training Hours Per Person ≥ 8H Passing Rate of New Employee Training Exam 100%	Average Training Hours Per Person ≥ 8H Passing Rate of New Employee Training Exam 100%	Average Training Hours Per Person ≥ 8H Passing Rate of New Employee Training Exam 100%
Number of First-Time Managers Promoted ≥ 6.0%	Number of First-Time Managers Promoted ≥ 6.0%	1% → Not Achieved

Human Right Protection

2023 Performance Objectives	2022 Performance Objectives	2022 Performance Target
Workplace Wrongful Assault/Bullying: 0 Cases	Workplace Wrongful Assault/Bullying: 0 Cases	Workplace Wrongful Assault/Bullying: 0 Cases → Achieved
Employee Complaints/Mediation: 1 Case	Employee Complaints/Mediation: 1 Case	Employee Complaints/Mediation: 1 Case → Achieved

6.1 Talent Policy and Commitment

Talent Management Policy: Establishing a friendly workplace and a safe and healthy working environment, laying a solid foundation for sustainable operations.

Management Policy

Objectives: Promote harmonious labor relations, attract and retain outstanding talents, provide competitive salary and benefits, training and development opportunities, and fair promotion, making employees partners in the company's sustainable development.

Commitment: Utilize due diligence investigations and proactive communication methods, commit to human rights protection, establish a sound training and development system, construct diverse and open channels of labor-management communication, ensure a safe and healthy working environment, and foster a warm and harmonious work atmosphere.

Management measures:

- (1) Comply with labor laws and occupational health and safety regulations, safeguard employees' legal rights, and respect and protect basic labor rights.
- (2) Provide a work environment of gender equality, equal rights, and free from discrimination and harassment.
- (3) Offer equal employment and training opportunities regardless of gender, religion, race, nationality, or political affiliation.
- (4) Provide employees with a safe and healthy working environment, ensuring their rights to safety and health are legally protected.
- (5) Fair compensation and benefits, reasonable and objective performance evaluation, and salary adjustment processes.
- (6) Establish effective training and development programs, career development plans, and promotion schemes.
- (7) Establish channels for employee communication and dialogue, promptly address and resolve employee issues.
- (8) Legally participate in labor insurance and health insurance, allocate employee welfare funds for organizing welfare activities.
- (9) Respect employees' freedom and rights to assembly and association, protect employees' ability to openly communicate with management about work conditions without fear of retaliation, threats, or harassment.
- (10) Establish an employee complaint channel to handle general complaints, sexual harassment, bullying, and other incidents.

→ **Complaint Channel: Human Resources Department Email: hr@kinsus.com.tw**
Complaint Tel: +886-3-4871919 Ext. 27885

Kinsus Interconnect Technology Corp. complies with labor-related regulations and has established "Work Rules" and "Occupational Safety and Health Work Guidelines and Organizational Structure and Personnel Establishment." These documents have been submitted to the competent government agencies for approval, ensuring legal labor conditions and safeguarding the rights of employees in terms of safety and health. We also adhere to the provisions of the "RBA Responsible Business Alliance Code of Conduct," providing employees with a healthy and safe working environment, establishing diverse and open channels of labor-management communication. This is complemented by fair compensation and promotion, a comprehensive training and development system, fostering employees' professional ethics and protecting trade secrets, a sound welfare system, and creating a warm and harmonious work atmosphere. Through a transparent and incentive-based profit-sharing system, we enable employees to contribute their abilities and performance with peace of mind, fostering mutual growth and development, and laying a solid foundation for sustainable operations

Sustainable Business Development Policy

Kinsus Interconnect Technology Corp. upholds the principle of integrity in business operations and embraces the philosophy of "Only with talents, never depreciate." We strive to provide reasonable working conditions and comprehensive employee benefits, taking full care of the physical and mental well-being of our employees, enabling them to focus wholeheartedly and enjoy their work. We are committed to implementing a sustainable business development policy that encompasses environmental protection, employee care, a friendly workplace, shared prosperity in society, integrity management, and the participation of all employees.

To enhance labor rights, we not only comply with Taiwan's Labor Standards Act and relevant laws but also have established work rules that are filed and approved, internal regulations on preventing sexual harassment, anti-corruption and bribery measures, and complaint procedures. We have also established management mechanisms to safeguard the rights of our colleagues, ensuring their opinions are fully expressed. Each factory area has a dedicated "complaint mailbox" and displays information on the complaint hotline. Additionally, we have implemented personal data protection mechanisms, adhering to the principle of non-retaliation, to prevent any unfair treatment of individuals. We are committed to maintaining a positive labor-management relationship and implementing various personnel management systems that promote a friendly workplace and care for our employees. In line with the policy direction of caring for employees and creating a friendly workplace, we pledge to implement the following eight human rights policies:

No Employment of Child Labor Under the Age of 15

Prohibiting Any Form of Forced Labor.

Respecting Employees' Freedom of Association and Collective Bargaining Rights.

Prohibiting Any Form of Discrimination, Harassment, and Retaliation.

Providing Reasonable Salary and Benefits.

Offering Diverse Communication Channels to Maintain Harmonious Labor Relations.

Providing a Safe Working Environment and Establishing Preventive Measures.

Ensuring Employment Opportunities For Individuals With Disabilities.

6.2 Human Resource Structure

As of December 30, 2022, Kinsus Interconnect Technology Corp. had a total of 6,204 employees. Among them, foreign employees accounted for 36%, including nationals from the Philippines, Vietnam, Malaysia, Indonesia, Hong Kong, Thailand, and other countries. We are committed to providing a diversified employment environment. The company does not impose restrictions or use contract-based coercion on foreign employees, nor does it engage in any form of forced labor, confinement, contract bondage, or pledging (including debt pledging) of foreign employees. We do not unlawfully withhold identity documents, passports, residence permits, or money. Our employment practices are based on the voluntary agreement of foreign employees. Additionally, all our employees are full-time, and we do not have any employees with no guaranteed working hours.

The total number of Kinsus Interconnect Technology Corp. employees increased by 629 in 2022 compared to 2021 due to sustainable development initiatives and the expansion of the Yu-Shih Plant. The number of middle-level managers also increased by 64 compared to 2021, indicating more job opportunities or promotions resulting from the plant

expansion. In 2022, a total of 63 colleagues were promoted to managerial positions, accounting for approximately 1%. However, due to the difference in employee base between 2020 and 2021, the proportion numbers may appear relatively moderate.

We respect the differences among our employees. In our employee management system, we adhere to labor principles and rights. During the recruitment process, our HR personnel verify the employees' true age to ensure that employees are at least 15 years old when they join the company. If any individual below the age of 15 is discovered, immediate actions are taken to address the issue, including child labor remediation measures, and relevant units and company representatives are notified. Furthermore, we adhere to the International Labour Organization (ILO) regulations and local laws regarding maternity protection, ensuring that pregnant employees are not engaged in hazardous or harmful work to protect the health of both the mother and the fetus. Maternity leave and breastfeeding periods are entitled to the welfare benefits stipulated by the government, and we provide breast feeding rooms and friendly parking spaces. Additionally, Kinsus Interconnect Technology Corp. provides job opportunities for individuals with disabilities and the minority groups. We exclude all forms of employment discrimination and forced labor, striving to create a friendly working environment and strengthen communication and connection between the company and its employees.

There were no significant operational changes in 2022. In the event of significant operational changes, in accordance with Article 16 of the Labor Standards Act, advance notice will be given 10 to 30 days before the changes, based on the length of service. To encourage diversity and promote an equal employment environment, interviews are conducted based on individual capabilities and suitability for the position, without differentiation based on gender, religion, race, nationality, or political affiliation.

(1) The distribution of the workforce at Kinsus Interconnect Technology Corp. in the past two years is shown in the table below:

Category	Item	2021				2022			
		Female		Male		Female		Male	
		Number of People	Percentage %	Number of People	Percentage %	Number of People	Percentage %	Number of People	Percentage %
Non-Fixed Term Contracted Employees	Direct Staff	977	17.5%	1,491	26.7%	923	14.87%	1,389	22.39%
	Indirect Staff	369	6.6%	1,009	18.1%	408	6.6%	1,078	17.4%
Fixed Term Contracted Employees	Foreign Employees	820	14.7%	817	14.7%	1,138	18.3%	1,069	17.2%
	Trainees/Contracted Employees	5	0.1%	37	0.7%	56	0.9%	140	2.3%
Dispatch Workers		16	0.3%	34	0.6%	0	0%	3	0.04%
Total Employees		2,184	39.2%	3,391	60.8%	2,525	40.67%	3,679	59.33%
Grand Total:		5,575 People				6,204 People			
Domestic (By Age)	Below 30 Years Old	865	15.5%	1,023	18.3%	1,019	16.4%	1,129	18.2%
	31~50 Years Old	1,212	21.7%	2,228	40.0%	1,385	22.3%	2,385	38.4%
	Above 51 Years Old	107	2.0%	140	2.5%	121	2%	165	2.7%
Job Grade Distribution	Senior Executives	15	0.3%	73	1.3%	18	0.3%	74	1.2%
	Middle-Level Managers	212	3.8%	612	11.0%	97	1.6%	376	6.1%
	General Employees	1,957	35.1%	2,706	48.5%	2,410	38.8%	3,229	52.1%
Grand Total:		5,575 People				6,204 People			

Remarks: 1. Direct Staff: Production line or process technician.

2. Indirect Staff: Administrative or managerial personnel.

3. Trainees: Students employed under contract through school-industry cooperation or internships.

4. Middle-Level Managers: Senior Deputy Manager (Technical), Senior Deputy Manager (Administrative), Deputy Manager (Technical), Deputy Manager (Administrative), Senior Director (Grade 4 to Grade 6), Director (Grade 4 to Grade 6), Deputy Director (Grade 4 to Grade 6), Project Manager.

5. Senior Executives: Grade 7 and above.

(2) The Composition By Age and Job Grade Distribution Is Shown In The Table Below:

Year	Item	Senior Executives		Middle-Level Managers		General Employees		Total
		Female	Male	Female	Male	Female	Male	
2021	Below 30 Years Old	0	0	93	198	772	825	1,888
	Ratio	0%	0%	11%	24%	17%	18%	35%
	31~50 Years Old	7	36	101	366	970	1,629	3,109
	Ratio	8%	41%	12%	45%	21%	35%	56%
	Above 51 Years Old	8	37	18	48	215	252	578
	Ratio	9%	42%	2%	6%	4%	5%	9%
Total Number of People:		15	73	212	612	1,957	2,706	5,575
Year	Item	Senior Executives		Middle-Level Managers		General Employees		Total
		Female	Male	Female	Male	Female	Male	
2022	Below 30 Years Old	0	0	9	16	859	937	1,821
	Ratio	0%	0%	2%	3%	15%	17%	29%
	31~50 Years Old	11	40	86	334	1,439	2,187	4,097
	Ratio	12%	44%	18%	71%	26%	39%	66%
	Above 51 Years Old	7	34	2	26	112	105	286
	Ratio	8%	37%	0.4%	6%	2%	5%	5%
Total Number of People:		18	74	97	376	2,410	3,229	6,204

Remarks: 1. Middle-Level Managers: Senior Deputy Manager (Technical), Senior Deputy Manager (Administrative), Deputy Manager (Technical), Deputy Manager (Administrative), Senior Director (Grade 4 to Grade 6), Director (Grade 4 to Grade 6), Deputy Director (Grade 4 to Grade 6), Project Manager.
 2. Senior Executives: Grade 7 and above.
 3. Age proportion calculation: Sum of male and female for the respective rank / Total number of employees in that rank.

6.2.1 Talent Recruitment and Mobility

With the rapid advancement of semiconductor technology and continuous improvement in PCB technology and materials, we are constantly investing in research and development, expanding our team size, and broadening our product range. We strive to add new product lines and enhance the quality and quantity of our products.

In Taiwan, Kinsus Interconnect Technology Corp. primarily recruits local talents. However, for our main operating locations in Taiwan, we consider both the need for technical development and the diversity of talents. In addition to recruiting professionals and fresh graduates locally, we also focus on recruiting special expertise from overseas. In 2022, we had a total of 171 foreign white-collar colleagues, and we recruited 153 foreign white-collar colleagues within the company during that year. This not only increases workplace diversity but also provides us with more specialized talents. Looking ahead, we will continue to cultivate and develop professional talents.

Talents are a vital asset for Kinsus Interconnect Technology Corp. In addition to creating a challenging and rewarding work environment, we determine salary levels based on employees' backgrounds, professional knowledge, technical skills, and years of experience. We recruit suitable and stable talents and have established comprehensive personnel management systems, including competitive overall compensation strategies, talent development and training mechanisms, performance evaluation and promotion processes, diverse welfare programs, and statutory retirement systems.

To enhance the quality of domestic talents and cultivate young talents, we are committed to promoting diverse education possibilities and providing development platforms for students at various stages within and outside

the formal education system. We aim to align learning resources with the industry, actively working towards achieving the SDG4 goal of quality education. We actively promote collaboration with universities and research institutes, focusing on "industry-academia research cooperation," "curriculum collaboration," and "career guidance."

We actively foster the development of the next generation of talents in the semiconductor industry through various initiatives. These include supporting the recruitment of qualified faculty members, offering industry expert courses, hosting lectures, organizing competitions, providing scholarships, and engaging in groundbreaking industry-academia collaboration research projects.

Regarding other talent sources in 2022, we recruited a total of 38 individuals from government employment service centers and 25 individuals from the Veterans Affairs Council. In 2023, we will continue to target top talents with relevant science, technology, engineering, and mathematics backgrounds or interdisciplinary integration abilities to develop higher-level PCBs. As semiconductor applications continue to grow, we actively collaborate with major universities on internship programs. This not only fosters students' creativity, understanding of the PCB process, and improvement optimization skills but also facilitates their connection with the industry, further showcasing our efforts to the world. In 2022, a total of 208 interns joined our "Internship Program," with female students accounting for 33% of the intern population. After the internship, 29 interns (approximately 14% of the total) received pre-employment offers based on their excellent performance, with female students accounting for 59% of this group.

Every year, Kinsus Interconnect Technology Corp. formulates its business plan, and each department determines its manpower needs and direction for the new year. They submit their manpower requests to the Human Resources department based on actual needs. The Human Resources department disseminates job vacancy information and internal transfer information through various recruitment channels. Upon receiving this information, employees can pursue internal transfers to develop new expertise, facilitating their personal career development along different career paths. In 2022, there were a total of 6 internal transfers. We actively nurture talents through employee referrals. Candidates referred by employees gain a better understanding of the company and position before joining, and their attachment and loyalty to the company are often stronger. Employee referrals are an actively expanded recruitment channel. In 2022, there were 546 employees hired through internal referrals, accounting for 9% of the total workforce.

The Recent Two-Year Data on the Proportion of Newly Hired and Turn Over Rate Among Male and Female Employees Is Presented in the Following Table:

Category	Year	2021				2022			
	Item	Head Count and Ratio				Head Count and Ratio			
		Female	Ratio	Male	Ratio	Female	Ratio	Male	Ratio
Newly Hired	Below 30 Years Old	161	19%	245	24%	418	41%	403	36%
	31~50 Years Old	122	10%	255	11%	202	15%	283	12%
	Above 51 Years Old	24	22%	66	47%	2	2%	10	12%
Newly Hired Ratefor Male/ Female		14.05%		15.98%		23.92%		18.45%	
Total:		849 People/100%				1,318 People/100%			
Annual Average Newly Hired Rate:		15.23%				21.2%			
Turn Over	Below 30 Years Old	349	40%	609	60%	277	27%	427	38%
	31~50 Years Old	328	27%	743	33%	269	19%	499	21%
	Above 51 Years Old	66	62%	98	70%	10	8%	31	19%
Turn Over Rate for Male/ Female		34.02%		42.76%		22.02%		26.01%	
Total:		849 People/100%				1,318 People/100%			
Annual Average Turnover Rate:		39.33%				24.4%			

Remarks:

- (1) Newly hired are defined as employees who joined in 2022 and completed a minimum of 3 months of service.
- (2) The calculation of the age proportion of newly hired: Using employees aged 30 and below as an example, it is calculated as the count of newly hired aged 30 and below divided by the count of employees of the same gender and age in the respective year.
- (3) The calculation of the age proportion of turnover: Using employees aged 30 and below as an example, it is calculated as the count of departures aged 30 and below divided by the count of employees of the same gender and age in the respective year.
- (4) The calculation of the subtotals by gender is based on the example of the newly hired. It is calculated as the total count of newly hired employees of the specific gender divided by the count of employees of the same gender in the respective year.
- (5) The calculation of the female or male newly hired or turn over rate is based on the count of newly hired or turn over of the specific gender divided by the count of employees of the same gender and age in the respective year.
- (6) The calculation of the total proportion is based on the example of newly hired. It is calculated as the total count of newly hired divided by the total count of employees in the respective year.

Employment of People with Disabilities

According to Taiwan's "Persons with Disabilities Rights Protection Act," the number of people with disabilities employed by the company should not be less than 1% of the total workforce. If the weighted total falls short of the standard, the company is required to regularly pay a "subsidy for the shortfall" to the Employment Fund for People with Disabilities under the supervision of the labor authority.

We provide full-time job opportunities to individuals with disabilities. As of the end of 2022, we have employed a total of 41 individuals with disabilities, including 22 with mild disabilities, 10 with moderate disabilities, 7 with severe disabilities, and 2 with profound disabilities. Although the number of hires is substantial, the weighted employment ratio still falls below the 1% benchmark of the total employee population, and the required subsidy for the shortfall is paid accordingly.

During the review of our human resources policies, it was identified that the number of applicants with disabilities was insufficient, and the work environment presented certain challenges. Additionally, despite workplace adjustments, some employees chose to leave for other reasons. In the future, we will continue to open job vacancies and welcome individuals with disabilities to apply. We will also prioritize the employment of students with disabilities in collaboration with various colleges and universities. We prioritize employee well-being and strive for a win-win concept in labor relations, fostering harmonious relationships between labor and management. In 2022, no labor disputes occurred that resulted in any financial losses.

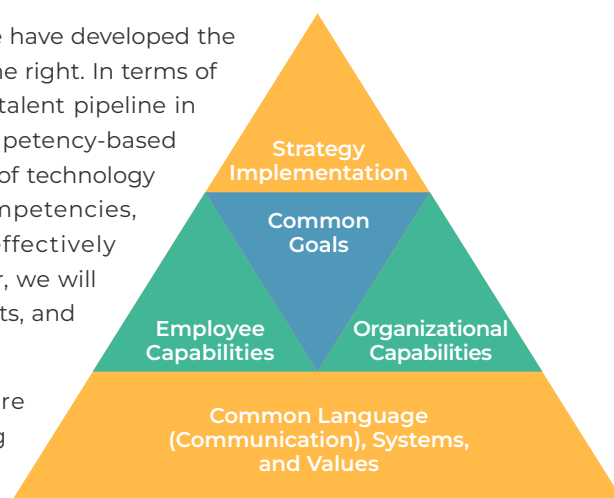
6.3 Talent Cultivation and Development

Employees are valuable assets to the company. At Kinsus Interconnect Technology Corp., we not only strive for continuous improvement in professional capabilities but also design relevant training programs based on the specific needs of our employees. In addition, we provide an e-learning platform to create a self-directed learning environment for all employees, enabling them to continuously enhance their expertise and skills in order to achieve the goal of sustainable business operation.

Category	Summary
1 Management Training	Based on different job levels, a series of courses are implemented in alignment with the company's strategy. Senior executives focus on courses related to strategy, goal setting, and leadership. Middle managers focus on courses related to subordinate development, teamwork, and communication. Frontline supervisors focus on courses related to daily work management and deployment management.
2 Professional Skills Training	Including courses related to product knowledge, manufacturing processes and technologies, quality systems, and the five core areas.
3 Quality Assurance Training	Various quality systems and activities aimed at enhancing quality awareness.

Category	Summary
4 Onboarding Training	Onboarding general basic training for new employees, including work rules, quality, cybersecurity, and work safety awareness. For new engineers, there is a three-month "Stellar Program" that includes on-the-job training (OJT), product and quality systems, statistical applications, and group activities to accelerate their integration into the Kinsus Interconnect Technology Corp. 's culture and work environment.
5 Environment, Health and Safety Training	Training on environmental protection, occupational safety and health, and health promotion for both new and existing employees.
6 Project Training	To enhance organizational effectiveness and achieve sustainable operations, the following projects are implemented: (1) OKR (Objectives and Key Results) (2) Talent Pipeline Development (3) Competency-based HR system.

Under the framework of sustainable business strategy, we have developed the composition and structure as shown in the diagram on the right. In terms of talent development, we began planning the succession talent pipeline in 2020 and started preparations for implementing a competency-based talent development framework in 2021. Through the use of technology tools for assessment, comparison, and analysis of competencies, along with systematic development plans, we can effectively enhance organizational competitiveness. In the new year, we will continue to cultivate high-potential employees, key experts, and successors to achieve sustainable business goals.



In response to environmental changes and the future development of products and technologies, the training framework and systems are designed in alignment with the company's operations and employee development.

The overall employee training implementation can be divided into two main parts: (1) workplace mentoring system in conjunction with on-the-job training and (2) a combination of online courses and physical seminars. As of the end of 2022, the Kinsus Academy online platform has a total of 785 course materials and over 1,000 knowledge-sharing resources, with over 13,000 logins for digital learning.

To maintain competitiveness, we plan various training activities every year, including management communication series, professional skill enhancement, and more. We provide diverse learning resources through multiple channels to enhance employee capabilities. Colleagues have expressed that the company's arranged courses are aligned with job requirements, enhancing individual work efficiency. The annual post-training satisfaction rate exceeds 90 points, achieving the goal of integrating training and utilization.



Staff Training Hours:

In 2022, the total training hours for employees amounted to 74,687 hours. With a total headcount of 6,204 employees, the average training hours per person for the year were 12.04 hours. Additionally, the education and training expenses for the previous year amounted to NT 4,957,566, resulting in an average training cost NT 799.1/per person.

Category		Total Training Hours	Participants	Number of Employee	Average Training Hours
Employee Gender	Female	23,672	4,582	2,525	9.38
	Male	51,015	9,490	3,679	13.87
Employee Category	Direct	9,915	2,665	4,587	2.16
	Indirect	64,772	11,407	1,617	40.06
All Employees	Managerial Level	3,897	1,035	221	17.63
	Non Managerial Level	70,790	13,037	5,983	11.83
Annual Average Training Hour:		12.04 Hours			

Note: Annual Average Training Hours = Total Training Hours / Number of Employees at the end of the year = (3,897 + 70,790) / 6,204 = 12.04 hours.

Kinsus Interconnect Technology Corp. has designed its education and training system with different structures for new employee training and on-the-job training, considering the overall environment, company's future development, and the transition of personnel positioning.

New Employee Training Mechanism: To familiarize new employees with the environment, job responsibilities, and facilitate their integration into the company culture, regular pre-employment training courses are conducted. The frequency and duration of these training sessions are adjusted flexibly based on actual needs. The pre-employment training courses for new employees include company introduction, personnel regulations and welfare systems, cybersecurity awareness, labor safety and health introduction, human rights promotion, etc., totaling 8 hours of training.

6.3.1 Performance Management and Employee Development

(1) Employee Career Development

Performance evaluation contributes to a robust human resources system and further enhances the overall operational framework of the company. Kinsus Interconnect Technology Corp. conducts assessments for newly hired employees after their three-month probation period, guiding supervisors and colleagues to understand their performance in terms of behavior, results, and personal attributes. The evaluation assesses their work capabilities, attitudes, and integration into the company's culture.

Supervisors carry out fair, reasonable, and objective performance evaluations in accordance with established standards, ensuring that every team member clearly understands their role and strives to meet performance requirements for their respective positions. Employees are provided with clear work objectives and future performance improvement guidelines, aligning them with the overall operational goals.

In 2022, a total of 517 newly hired Taiwanese employees participated in the annual performance evaluation, with no differentiation based on gender. The purpose of the evaluation is not only to emphasize the consensus between employees and supervisors regarding work goals but also to focus on developing employee capabilities while assessing performance. The primary objective is to cultivate and enhance employees' individual abilities, enabling them to acquire proficiency in their roles, thereby enhancing the company's competitiveness and overall organizational efficiency. This aims to build a strong foundation for the company's future success.

Performance evaluation statistics for Taiwanese newly hired employees in the past year are presented in the following table:

Job Category	2022 Total Number of People Newly Hired Taiwanese Staff : 517 People			
	Number of People Evaluated		Ratio%	
	Male	Female	Male	Female
Indirect Staff	207	79	40.0%	15.3%
Direct Staff	148	83	28.6%	16.1%
Total:	355	162	68.7%	31.3%

(2) Performance Evaluation and Career Development for Existing Employees

In addition to the newly hired, the company conducts performance evaluations every six months based on job levels to monitor work performance and determine bonus allocations. The evaluation rate for all employees, excluding the newly hired ones, is 100%. Furthermore, based on supervisor evaluations, attendance, and individual performance, employees who demonstrate outstanding work performance are recommended for promotion by supervisors at different levels. In 2022, a total of 1,995 employees were promoted, accounting for 10.9% in technical positions, 1.0% in administrative positions, and 88.2% in OPR direct staff positions.

6.4 Compensation and Benefits

6.4.1 Compensation and Benefits Policy and Performance

Compensation and Benefits Policy: Competitive Compensation and Benefits to Attract and Retain Talent.

Management Policy

Goal and Target: Taking into account industry competitiveness, overall economy, and sustainable business considerations, the company has established a "Compensation and Benefits System" to provide competitive compensation and benefits that attract and retain talent.

Commitment: Through diligent research and proactive communication methods, the company ensures a sound employee compensation and benefits system, allocating profits as employee dividends.

Management measures:

- (1) Provide a stable employee compensation structure in accordance with the company's compensation management system.
- (2) Allocate employee welfare funds in accordance with the provisions of the "Employee Welfare Fund Regulations" and organize welfare activities.
- (3) Conduct performance evaluations and interviews to improve work behavior and skills, as well as cultivate and develop employees' individual abilities.

Kinsus Interconnect Technology Corp. determines its salary levels based on employees' educational background, professional knowledge and skills, years of experience, and individual performance. The wages paid to employees comply with all applicable wage laws, including those related to minimum wage, overtime hours, and statutory benefits. There is no gender-based wage discrimination, and employees are compensated equally regardless of their gender, race, religion, political stance, marital status, or affiliation with labor unions or associations. However, due to differences in job positions, educational qualifications, experience, and departmental divisions, there may be slight variations in the salary ratio between male and female employees.

In addition to the basic salary and holiday bonuses, the company also provides flexible variable compensation based on its operational performance, including monthly profit-sharing bonuses, quarterly performance bonuses, employee rewards, long-serving employee benefits, and exemplary employee recognition. These incentives are designed to motivate employees and retain outstanding talents. Annual salary adjustments are determined based on employees' job positions and performance evaluations, with specific items and amounts for salary adjustments being proposed.

In 2022, the salary of entry-level employees is determined based on their educational qualifications, without any gender-based differences. The following table shows the comparison of basic-level employees' salaries to the statutory minimum wage and the gender ratio of general employees and mid-to-senior-level managers over the past two years:

Year	Category	Average Starting Salary for Fresh Graduates	Comparison of Starting Salary to Statutory Minimum Wage in 2022	Remarks
2022	Direct Staff	30,183	1.20	Calculated based on G1-3 technician position: basic salary + job allowance + transportation allowance + meal allowance + day and night shift allowance
	Indirect Staff	26,200	1.04	Calculated based on G1-3 administrative assistant (8 hours): basic salary + job allowance + transportation allowance + meal allowance

Note: The statutory minimum wage in Taiwan for 2022 is NT\$25,250.

Salary Grade-Job Level	Year	2022			
	Gender	Regular Employees	Mid-Level Managers	Senior Managers	
Base Salary	Female	1.00	1.00	1.00	
	Male	1.13	1.03	1.11	
Average Salary	Female	1.00	1.00	1.00	
	Male	1.16	1.03	1.11	

Data Source: HR Department, Kinsus Interconnect Technology Corp.

Note: "Base Salary" includes basic salary, job allowance, transportation allowance, technical allowance, and meal allowance.

Note: "Average Salary" includes basic salary, job allowance, transportation allowance, technical allowance, meal allowance, shift allowance, tax-exempt overtime, and taxable overtime.

6.4.2 Compensation System for the Board of Directors and Senior Executives, and Operation of the Compensation Committee

According to Article 24 of the Kinsus Interconnect Technology Corp. Bylaws, if the company generates profits in a fiscal year, at least 10% of the profits should be allocated as employee compensation, and the director's compensation should not exceed 1%. The proposed director's compensation and employee compensation shall be recommended by the Compensation Committee, approved by the Board of Directors, and reported in the annual shareholders' meeting report. Kinsus Interconnect Technology Corp. has established the "Director's Compensation Payment Regulations," which stipulate that directors who do not hold positions within the group shall receive fixed compensation regardless of the company's profit or loss. Directors who hold positions within the group shall receive reasonable compensation based on their positions, representation as directors of subsidiaries, and level of involvement in company operations. Manager's compensation is determined based on their job level, administrative or technical role, and individual performance. The policies, standards, and composition of director and manager compensation are discussed by the Compensation Committee, which submits its recommendations to the Board of Directors.

The responsibilities of the Compensation Committee at Kinsus Interconnect Technology Corp. include the following, and its recommendations are presented for discussion by the Board of Directors:

- 1 Periodically review and propose amendments to this regulation.
- 2 Establish and periodically review the policies, systems, standards, and structure of the annual and long-term performance goals and compensation for directors and senior executives.
- 3 Conduct regular evaluations of individual compensation for directors and senior executives.

When fulfilling its responsibilities, the Compensation Committee adheres to the following principles:

- 1 Ensure that the company's compensation arrangements comply with relevant laws and attract outstanding talents.
- 2 Consider industry norms and the correlation between individual performance, company performance, and future risks when evaluating the performance and compensation of directors and senior executives.
- 3 Avoid guiding directors and senior executives to engage in risk-taking behaviors solely for the pursuit of compensation.
- 4 Determine the proportion of short-term performance-based bonuses and the timing of variable compensation payments for directors and senior executives based on industry characteristics and the nature of the company's business.

The Compensation Committee is required to hold at least two meetings each year. For information about the meeting schedules and attendance rates of committee members, please refer to the company's annual report.

6.3.1 Performance Management and Employee Development

The retirement pension system of Kinsus Interconnect Technology Corp. is based on the "Labor Standards Act" and the "Labor Pension Act" to protect the rights and benefits of employees in receiving retirement pensions in the future.

Retirement Qualifications

Employees may voluntarily retire if they meet one of the following conditions

1. Employees who have served for fifteen years or more and have reached the age of fifty-five.
2. Employees who have served for twenty-five years or more.

We may enforce mandatory retirement for employees under the following circumstances if they meet one of the following conditions

1. Employees who have reached the age of sixty-five.
2. Employees who have lost mental capacity or physical disabilities and are incapable of performing their duties.

Payment Standards (Under the old retirement pension system):

For employees with less than fifteen years of service, two times the base salary is provided for each year of service. For employees with more than fifteen years of service, one times the base salary is provided for each year of service, up to a maximum of forty-five times the base salary. For employees with less than six months of service, the payment is calculated based on half a year, while for those with six months or more of service, the payment is calculated based on one year. Employees who are forced to retire and have mental incapacity or physical disabilities caused by job duties shall receive a retirement pension of 20% in addition to the aforementioned provisions.

Calculation of Base Salary (Under the old retirement pension system):

The retirement pension base salary is calculated based on the average salary of the preceding six months before retirement.

Payment Timing:

When a retired employee meets the criteria for voluntary retirement, the retirement pension shall be paid in full within thirty days from the retirement date. If it is not feasible to pay the pension in a lump sum, it may be paid in installments after approval by the competent authority.

Other Provisions:

Retired employees are required to fill out a retirement application form, which will be approved before payment. For employees subject to mandatory retirement, the respective units shall sign and approve the retirement procedures. The right of employees to claim retirement benefits expires if not exercised within five years from the month following retirement.

New Retirement Pension Contribution:

The company deducts a percentage of each employee's salary according to a graded table and deposits it into the individual retirement account at the Labor Insurance Bureau at a rate of 6% of their salary.

In compliance with the Labor Standards Act, Kinsus Interconnect Technology Corp. monthly allocates "retirement reserve funds" to be deposited in a trust fund account with the Bank of Taiwan. Regarding the implementation of the new retirement system in 2005, all employees have the option to choose between the old and new systems. For employees who choose the old system, the company allocates an amount equivalent to 2% of their total salary to the old retirement pension. Based on the previous year's actuarial report on retirement pensions, the accounting department calculates the total amount to be allocated for the old retirement pension for the entire following year and spreads it evenly over twelve months. If the monthly allocation of 2% of the salary is lower than the average monthly allocation, the accounting department supplements the retirement pension allocation to match the estimated amount by the actuary. For employees who choose the new system, the company contributes 6% of the insured salary to the individual retirement pension account. Employees may also voluntarily contribute to their retirement pension within the range of 6% of their monthly salary, and the voluntarily contributed portion can be fully deducted from their total annual comprehensive income.

In addition, insurance benefits are provided to employees according to relevant laws and regulations. Statutory insurances include labor insurance, national health insurance, and company group insurance.

6.4.4 Parental Leave

Category	Gender	2020	2021	2022
Number of Employees Eligible for Parental Leave in the Year	Male	225	228	211
	Female	203	223	186
	Total	428	451	397
Number of Employees Applying for Parental Leave in the Year	Male	7	10	20
	Female	24	34	30
	Total	31	44	50
Number of Employees Expected to Return to Work in the Year (A)	Male	9	8	15
	Female	20	24	32
	Total	29	32	47
Number of Employees Returning to Work in the Year (B)	Male	5	5	8
	Female	10	19	20
	Total	15	24	28
Return Rate (B/A)	Male	56%	63%	53%
	Female	50%	79%	63%
Number of Employees from Previous Year's Parental Leave Expected to Return and Actually Returned (C)	Male	4	5	5
	Female	25	10	19
	Total	29	15	24

Category	Gender	2020	2021	2022
Number of Employees from Parental Leave Continuing Employment for over 12 Month (D)	Male	4	4	4
	Female	21	10	15
	Total	25	14	19
Retention Rate (D / C)	Male	100%	80%	80%
	Female	84%	100%	79%

Note: Return rate = Number of employees returning to work (B) / Number of employees expected to return to work (A) * 100%.

Retention rate = Number of employees continuing employment after 12 months of parental leave (D) / Number of employees who returned to work after parental leave (C) * 100%.

6.4.5 Diverse Welfare and Benefit System

We believe that only with a high-quality living standard can employees achieve maximum efficiency in their work. In addition to providing a safe and comfortable working environment, we also value the leisure and recreational lives of our employees. The Employee Welfare Committee is established in compliance with the law to implement various welfare measures and manage employee benefits. Our diverse and comprehensive welfare programs include creating an artistic environment, providing meals, uniforms, accommodation, parking, leisure and entertainment facilities, and childcare services. We aim to ensure that every employee enjoys a healthy work-life balance, promote interpersonal communication among employees, and boost morale and cohesion.

Leisure and Entertainment:

Both Shih-Lei and Tsing-Hua plants have fitness centers with a total area of 729 square meters. The facilities include indoor basketball courts, badminton courts, various fitness equipment, yoga studios, dance studios, KTV rooms, table tennis rooms, pool rooms, indoor golf and resting areas with lounge chairs. These facilities allow employees to take a break and relax during their leisure time.

Usage of Recreation Centers

	Shih-Lei Plant	Tsing-Hua Plant	Xing-Feng Plant
2022 Recreation Centers Usage	65,583	43,423	Not Counted
2022 Fitness Equipment Usage	32,497	44,188	Not Counted



Comprehensive Welfare and Benefits

The Welfare Committee, in addition to setting up recreational activity centers to encourage colleagues to exercise and maintain their health, also provides other benefits such as travel subsidies, club subsidies, festival bonuses, and year-end party events. This allows life to be more than just work and enables colleagues to enjoy a diverse and enriching lifestyle. The Welfare Committee promotes the following activities and benefits:

Item	Content	Number of Participants/ Beneficiaries	Invested Amount
Domestic Employee Travel Subsidy	Encouraging employees to travel and relax, the company provides an annual travel subsidy of NT\$5,000 per person for employees who have worked for at least 3 months, allowing them to plan their own travel itineraries	3,567 People	NT 24,228,000
Foreign Employee Travel Subsidy	Organizing annual travel activities for foreign employees, through itinerary planning and employee voting, selecting the most desired travel destinations for enjoyable experiences with colleagues and friends	862 People	NT 2,331,000
Club Activity Subsidy	Encouraging employees to develop their interests and hobbies, each club can apply for a subsidy of up to NT\$20,000 per quarter to support club activities, with an annual maximum limit of NT\$80,000	111 People	NT 126,000
Holiday Gift Vouchers	To enhance employee well-being, gift vouchers of NT\$2,000 per person are distributed during the Spring Festival, Labor Day, Dragon Boat Festival, and Mid-Autumn Festival	22,348 People	NT 62,934,000
Wedding/Funeral Assistance Fund	Providing assistance funds for employees who have worked for at least 3 months for weddings, childbirth, hospitalization, and funerals (including parents/grandparents)	740 People	NT 2,233,000
Employee Birthday Gift Vouchers	Celebrating employees' birthdays by distributing gift vouchers to those who have worked for at least 3 months	5,613 People	NT 5,613,000
Affiliated Merchant Discounts	Enhancing employee benefits and providing consumer discounts by establishing agreements with 157 businesses and hotels	Applicable to all employees	---
Vendor Stall Service	Open for vendors to apply for stalls to sell their products at the factory restaurant from Monday to Friday, allowing interested employees to make purchases during their break time	Applicable to all employees	---
Year-end Lucky Draw Event	Organizing a large-scale year-end banquet event featuring performances by artists, employee performances, catering, and the highly anticipated lucky draw activity	1,833 People Won Prizes	NT 14,173,000

Kinsus Interconnect Technology Corp. Kindergarten

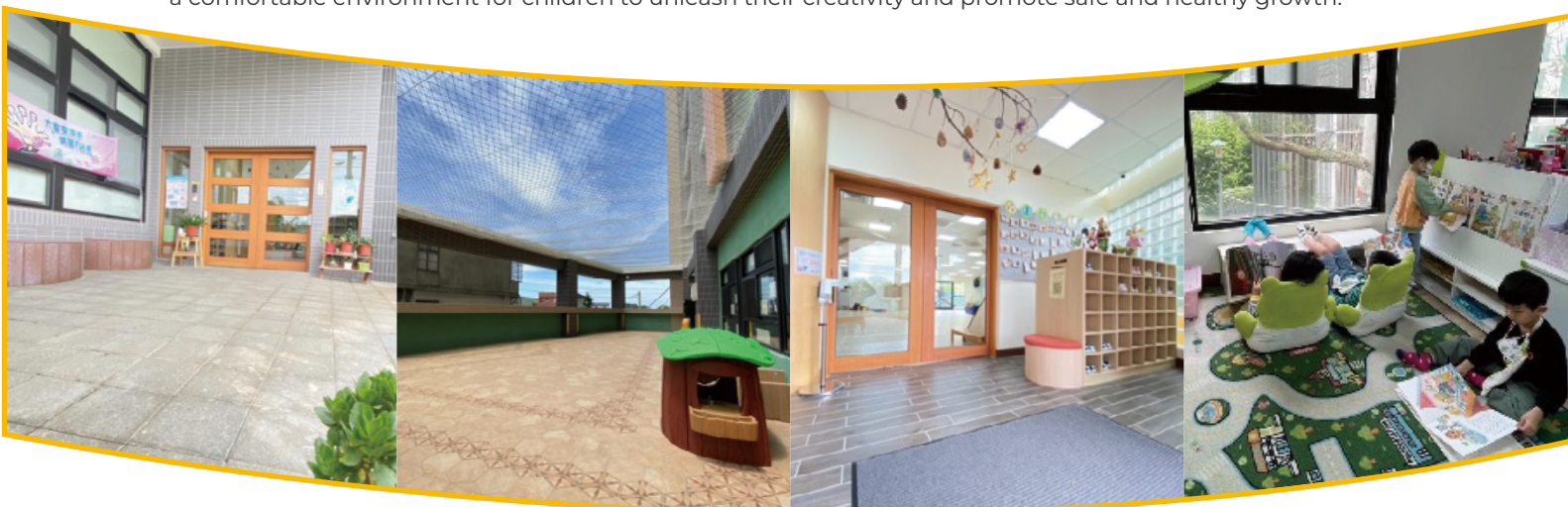
In order to provide convenient childcare for employees and achieve a balance between work and personal life, Kinsus Interconnect Technology Corp. established our own kindergarten, Kinsus Kindergarten, in September 2012. It is the first corporate-affiliated kindergarten in Taoyuan City after the integration of childcare services. The kindergarten is equipped with state-of-the-art facilities and equipment, meeting the latest standards for kindergartens. In October 2020, the kindergarten relocated to a new campus.

The childcare services are available from 7:30 AM to 9:00 PM, and there is a 30-minute window for employees who finish work at 8:30 PM to pick up their children. This allows the children to leave the kindergarten calmly with their parents. The kindergarten also provides dinner and extended care services, ensuring that parents can work with peace of mind. The monthly fee for each child of an employee is NT\$7,500 (with a company subsidy of NT\$2,000 per person). For the third child, the monthly fee is halved to NT\$3,750 per person. Over the years, this benefit has been extended to 949 employee children, with a total subsidy amount of NT\$24,490,600.

Year of Subsidy	2020	2021	2022
Subsidize Amount/NT	2000	2000	2000
Number of Beneficiary /People	105	103	100
Total/NT	NT 2,496,000	NT 2,472,000	NT 2,400,000

Introduction to Kindergarten Facilities

The kindergarten occupies two floors. The first floor consists of classrooms for younger age groups and an indoor/outdoor play area. The second floor is dedicated to classrooms for older age groups and an outdoor playground. The second floor offers a larger space that is thoughtfully designed with an artistic touch, providing a comfortable environment for children to unleash their creativity and promote safe and healthy growth.



Other Employee Benefits And Subsidies Are Listed As Table Below:

Allowance Subsidies

- Travel Allowance: NT\$5,000 per person for local workers, NT\$7,500 per person for foreign migrant workers
- Holiday Bonuses: NT\$2,000 gift vouchers for each holiday
- Marriage, Funeral, and Celebration Assistance Fund
- Club Subsidies: Up to NT\$80,000

Other Benefits

- Meal Allowance for working days: NT\$40 per meal per person
- Convenience Store Discount: 15% off on all items
- Affiliated Stores: Total of 157 stores
- Sports programs organized by the Welfare Committee
- Free massage services

6.5 Human Right Protection: Listen To Our Employees

Policy for Human Rights Protection: Diversity, Equality, Promoting Labor-Management Harmony, and Valuing Human Rights

Management Policy

Goal and Target: Creating a diverse, equal, and challenging work environment that promotes harmony, learning, growth, and mutual respect.

Commitment: Utilizing diligent investigations and proactive communication methods to establish a harmonious work environment that promotes gender equality, diversity, and respect for human rights.

Management measures:

- (1) Providing equal employment opportunities regardless of gender, religion, race, nationality, or political affiliation.
- (2) Allocating employee welfare funds in accordance with the "Employee Welfare Fund Regulations" for participation in labor insurance and health insurance.
- (3) Conducting fair, reasonable, and objective performance evaluations.

6.5.1 Human Rights

We comply with labor laws and have established regulations for managing foreign migrant workers to ensure the labor rights and interests of our employees. We are committed to 100% compliance with relevant labor regulations and openly disclose our labor policies in accordance with the Responsible Business Alliance (RBA) guidelines. We also require our suppliers to sign a declaration of commitment to corporate social responsibility, prohibiting the employment of child labor, the engagement of young workers in hazardous work, and the practice of forced labor. We conduct regular assessments of forced labor risks.

The "Employee Hiring and Dismissal Procedures" explicitly state that we strictly prohibit the use of any form of coercion, imprisonment, contractual bondage, prison labor, pledge labor (including debt bondage), trafficking, and slave labor. Employment must be voluntary for all employees. For foreign migrant workers, in addition to complying with labor laws, we have specific regulations in place to safeguard their labor rights. The management department conducts regular assessments of risks related to violations of labor rights, such as discrimination, forced labor, and child labor. If any violations occur, the risks and control measures are disclosed to the management to ensure that similar situations do not happen in the future.

Item	Prohibition of Forced Labor	Prohibition of Child Labor
Risk Assessment	Internal control of working hours	Verification of age (over 16) during interviews using identification cards
Implementation	No coercion or intimidation for unwilling individuals to perform work or overtime	No employment of child labor under the age of 16
Measures Taken	<ul style="list-style-type: none"> Control of working hours Tracking of consecutive and holiday attendance Providing channels for feedback 	<ul style="list-style-type: none"> HR department verifies age using identification cards during interviews Carefully assess when receiving/collecting resumes

Item	Elimination of Unlawful Discrimination	WorkPlace Health and Safety
Risk Assessment	Disclosure of non-discrimination principles in interviews, employee training, compensation, and promotion according to Taiwanese labor laws	<ul style="list-style-type: none"> • Identification of hazards and risk assessment→High-risk job positions should be placed under management. • Implement occupational disease prevention and promote the physical and mental health of employees.
Implementation	No inquiries about irrelevant personal information during interviews with new candidates; prohibition of verbal discrimination among colleagues or between colleagues and supervisors	Establish a company safety culture and create a friendly working environment.
Measures Taken	Regularly review of regulations and internal management systems for compliance with legal requirements	<ul style="list-style-type: none"> • Establish measures for personal safety and protection of the working environment. • Provide medical assistance and on-site doctor services. • Conduct personnel education and training programs and raise awareness.
Promotion of Work-Life Balance		
Measures Taken	Promote interpersonal interaction among colleagues through participation in leisure activities and strive to maintain a healthy work-life balance and employee well-being.	
Implementation	The welfare committee organizes travel, handicraft, and sports-related activities.	
Measures Taken	Enhance internal promotional channels, encourage employee participation, and distribute participant questionnaires after the activities to improve future events and increase engagement.	

Kinsus Interconnect Technology Corp. refers to international labor conventions and the Responsible Business Alliance (RBA) Code of Conduct, and is committed to complying with relevant labor laws in Taiwan. We have developed guidelines for labor rights protection management, including working hours and wages, humane treatment, non-discrimination, prevention of workplace bullying, and freedom of association. These guidelines aim to prevent non-voluntary labor, address and prevent sexual harassment, protect maternal rights in the workplace, and prevent unlawful infringement of job responsibilities.

The "Employee Hiring and Termination Guidelines" clearly state that no form of coercion, imprisonment, contractual bondage, prison labor, pledging (including debt bondage), trafficking, or slave labor will be used. Employment must be voluntary. Specific regulations have been established for the management of foreign migrant workers to ensure their labor rights and protection. The management department regularly assesses the risk of forced labor and, in cases of violation, discloses the information to relevant supervisors and provides reminders to prevent similar situations in the future.

To ensure that every employee fully understands labor rights and corporate social responsibility policies and measures, the HR department conducts labor rights assessments for new employees and evaluates the effectiveness of employee training.

(1) Training: On the day of new employee onboarding, we arrange training on corporate social responsibility and labor rights policies. Through videos, presentations, and personnel explanations, employees gain a deeper understanding and knowledge of human rights-related laws and regulations, as well as awareness of their own rights and complaint channels.

(2) Assessment: To ensure that employees have absorbed the content of the training, a written test is conducted after the training. Employees must pass the standard to be considered qualified. If the score falls below the standard, additional training is scheduled for employees to retrain and fully understand labor rights and other entitlements.

Implementation of Various Human Rights Indicators In The Past Two Years:

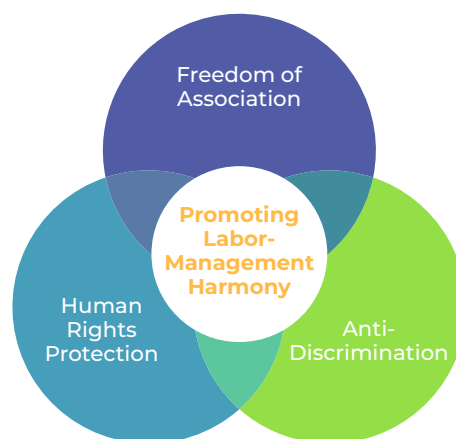
2021				2022			
No discrimination incidents occurred	Freedom of association was not prohibited	No significant incidents of hiring child labor occurred	No major incidents of coercion or forced labor occurred	No discrimination incidents occurred	Freedom of association was not prohibited	No significant incidents of hiring child labor occurred	No major incidents of coercion or forced labor occurred

6.5.2 Human Rights and Anti-Discrimination

Kinsus Interconnect Technology Corp. strictly prohibits any form of sexual harassment, sexual abuse, physical or mental punishment, coercion, or verbal abuse towards employees. If an employee has concerns regarding company policies or the conduct of executives, they may submit a written complaint following the "Employee Reporting and Complaint Handling Procedures," which will be handled by the Human Resources Department responsible for addressing discrimination incidents.

The Human Resources Department maintains an independent and objective approach and promptly investigates any reported incidents. If the investigation confirms the validity of the complaint, appropriate disciplinary actions will be taken against the responsible party, and the outcome will be communicated to the complaining employee.

Thanks to effective mechanisms and controls, no discrimination cases were reported in 2022. Furthermore, we engage in human rights communication and training initiatives. For instance, new employees are required to sign documents as part of their orientation training, electronic reminders are sent through the digital document system, on-site personnel and suppliers are asked to sign ethical commitments, and confirmation is sought during customer audits. All new employees undergo relevant training on an annual basis, and in 2022, the training coverage rate reached 100%.



6.5.3 Freedom of Association

We respect and protect the legal rights of employees to form or join organizations, engage in collective bargaining, and participate in peaceful assembly. We commit to treating employees who participate in such activities without any discrimination or unequal treatment, and we do not use rewards or intimidation to control or attempt to control employees. The company shall not interfere with the establishment of statutes and rules, the selection of representatives, organizational management and activities, or the development of plans by employees. Under an open association system, employees are free from retaliation, threats, and harassment and can openly communicate with the company on work and management-related issues. While Kinsus Interconnect Technology Corp. employees have not established a labor union, the company still provides open communication channels.

6.5.4 Shortest Notice Period for Operational Changes

When significant operational changes are imminent that will affect employees' employment rights and various labor conditions, the company complies with the Labor Standards Act and adheres to the following shortest notice periods for terminating employment contracts:

- A ten-day notice is provided for employees who have served the company for more than three months but less than one year
- A twenty-day notice is provided for employees who have served the company for more than one year but less than three years
- A thirty-day notice is provided for employees who have served the company for more than three years

6.5.5 Diverse Communication Channels

We provide various communication channels to promote communication and coordination between labor and management, gain deeper insights into employee satisfaction with management and welfare systems, and maintain good labor-management relations. Since its establishment, harmonious labor-management relations have been maintained, and there have been no incidents resulting in losses due to labor disputes. The likelihood of future losses resulting from labor disputes is estimated to be extremely low.

Furthermore, through the labor-management meetings, employee representatives can express their suggestions and opinions on specific issues and reach consensus with the company through discussions on the agenda, ensuring smooth communication channels. Additionally, the Employee Welfare Committee and Occupational Safety and Health Committee have been established in compliance with the law and are officially operational after being approved by the competent authority. Currently, the labor-management meetings are held regularly on a quarterly basis, and the Employee Welfare Committee and Occupational Safety and Health Committee also have regular meetings. Each labor-management communication organization fulfills its responsibilities and communicates on different issues, collectively promoting harmonious and mutually beneficial labor-management relations for coexistence and prosperity.

With comprehensive communication channels and a diverse, two-way, and open feedback mechanism, we implement effective handling and response to the voices of our colleagues. Through fair, confidential, and prompt processes, we resolve doubts among employees, fostering a good labor-management relationship.

Diversified Channels of Labor-Management Communication

We respect the employees' right to freedom of assembly and association granted by law. Occupational safety and health committees and employee welfare committees are established in accordance with the law, as shown in the following table:

Subject	Host	Frequency	2022 Feedback
Two-Way Communication Meeting	CEO Scott Chen	As Needed	Not conducted due to the pandemic
ESG Sustainable Development Committee Meeting	Deputy Sustainability Officer Kevin Huang	Once A Year	Not applicable
Labor-Management Meeting	Deputy Sustainability Officer Kevin Huang	Once Per Quarter	226 cases
Complaint/Whistleblowing Review Committee Meeting	Senior Manager Shi-Ming, Yuan	As Needed	Non conducted
Sexual Harassment Review Committee Meeting	CEO Scott Chen	As Needed	Non conducted

6.5.6 Employee Whistle-Blowing /Complaint Mechanism

At Kinsus Interconnect Technology Corp., we listen to and actively improve upon the feedback from our employees.

We have established labor-management meetings in each of our four plants. These meetings consist of five representatives from management and five representatives from the labor side. The labor representatives are directly elected by all employees, with the top five vote-getters serving as the labor representatives. The purpose of these labor-management meetings is to coordinate labor-management relations, promote collaboration between labor and management, and proactively address various labor-related issues through a labor-management consultation system. The basic principle of these meetings is to encourage voluntary consultation and cooperation between labor and management, thereby enhancing communication, reducing conflicts, fostering consensus, and harnessing the collective wisdom and potential of both sides to work towards implementing decisions.

We create a friendly working environment

- Regularly maintaining the parking lot to provide employees with convenient parking spaces.
- Optimizing the environment and signage of waste storage areas to facilitate safe and hygienic use by employees.
- Conducting regular driving safety seminars for foreign colleagues to enhance road safety awareness.
- Implementing mosquito control measures.
- Other initiatives.

Topics discussed in the labor-management meetings

- Regular announcements and reminders regarding various types of bonuses.
- Employee annual check-ups and health consultation services.
- Employee remuneration distribution.
- Promotion and organization of various employee activities, including the annual banquet.
- Release of the annual calendar.
- Establishing online communication channels for employees, such as various social media platforms, to facilitate real-time two-way communication.

Employee Suggestion Box

We have set up an employee suggestion box in the workplace for employees to express their suggestions and opinions. We encourage employees to follow the regular management system and channels to address issues. However, for the following matters, employees may directly submit them through the Employee Suggestion Box:

- Discrimination, harassment, and abuse.
- Prevention of forced labor and involuntary servitude.
- Management and protection of foreign workers in the context of labor agency recruitment.
- Working hours, wages, benefits, and labor contracts.
- Freedom of association and collective bargaining.
- Occupational health and safety management, accident management, and emergency preparedness and response.
- Dormitory and cafeteria management.
- Hazardous waste management, wastewater management, stormwater management, air emission management, and industrial noise management.

We adhere to the principle of maintaining information confidentiality. Employees or potential employees who, in good faith, bring forth any questions, suggestions, complaints, or appeals to their supervisors or managers or participate in any related investigations or resolutions, will not face dismissal, blacklisting, discrimination, harassment, intimidation, retaliation, or any other adverse employment decisions.

6.6 Workplace Health and Safety

In order to establish a sustainable development corporate, the short-term, medium-term and long-term indicators of material topics such as safety and health in the friendly workplace, one of the sustainable tasks of Kinsus, are as follows:

	Short-term Indicators (2022~2023)	Mid-term Indicators (2024~2027)	Long-term Indicators (2028+)
Health and Safety	The completion rate of hazard identification and risk assessment in each department is 100%	The completion rate of hazard identification and risk assessment in each department is 100%	The completion rate of hazard identification and risk assessment in each department is 100%
	100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators
	Health check participation rate 90%	Health check participation rate 90%	Health check participation rate 90%
	Major occupational accidents for employees (excluding death) ≤5 cases / year	Major occupational accidents for employees (excluding death) ≤4 cases / year	Major occupational accidents for employees (excluding death) ≤3 cases / year
	Occupational diseases caused by chemical exposure maintained 0 case	Occupational diseases caused by chemical exposure maintained 0 case	Occupational diseases caused by chemical exposure maintained 0 case
	Disabling injury frequency ≤ 3 Disabling injury severity ≤ 30	Disabling injury frequency ≤ 2.8 Disabling injury severity ≤ 28	Disabling injury frequency ≤ 2.5 Disabling injury severity ≤ 25

Material topics, goals and performance:

Kinsus is committed to creating a friendly workplace environment that cares for and supports its employees. It takes responsibility for nurturing and retaining talents, serving as a driving force for the company's sustainable development and continuous growth. Based on the significant issues related to safety and health stated above, short-term indicators and corresponding implementation plans have been developed. The performance targets and achievements for the past two years are shown in the table below:

Safety and Health

2022 Performance Target	2022 Achievement Rate	2023 Performance Target
Passed ISO 45001 occupational Safety and health system verification	Passed the ISO 45001 system Verification → Achieved	Passed ISO 45001 occupational safety and health system verification
100% of new employees participate in education and training	100% → achieved	100% of new employees participate in education and training
100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators	100% completion rate of training for high-risk operators
100% completion rate of hazard identification and risk assessment in each department	100% → achieved	100% completion rate of hazard identification and risk assessment in each department
90% Health check participation rate	90% → achieved	90% Health check participation rate
Major occupational accidents for employees (excluding death) ≤ 5 cases / year	3 cases/year → achieved	Major occupational accidents for employees (excluding death) ≤ 5 cases / year
Occupational diseases caused by chemical exposure maintained 0 cases	0 case → achieved	Occupational diseases caused by chemical exposure maintained 0 case
Disabling frequency rate ≤ 3 Disabling injury severity rate ≤ 30	Disabling frequency rate 2.25 → achieved Disabling injury severity rate 27 → achieved	Disabling frequency rate ≤ 3 Disabling injury severity rate ≤ 30

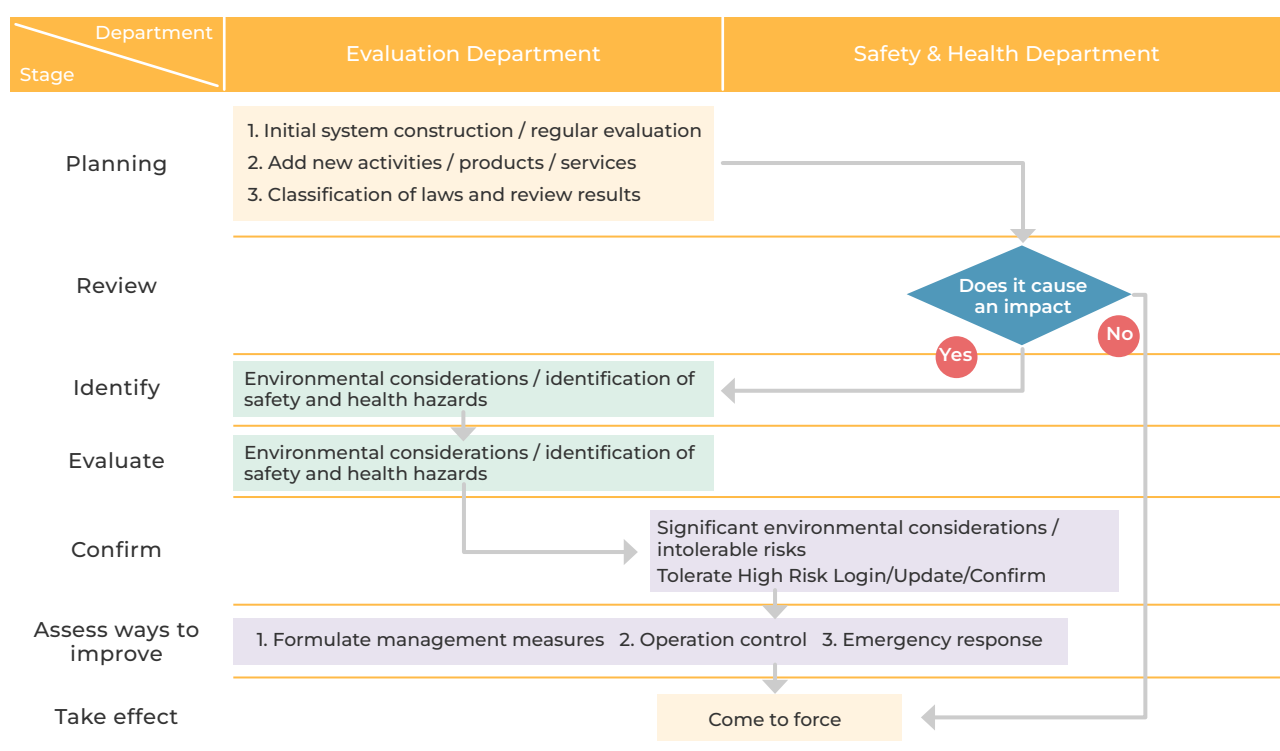
Note: *1 Disabling frequency rate (FR) = (number of disabling injuries x 1,000,000) / employee hours of exposure

*2 Disabling injury severity rate (SR) = (days lost in a year due to accidents x 1,000,000) / employee hours of exposure

Kinsus has established an "Occupational Safety and Health Management System" in accordance with the law. This system includes safety and health management policies and training, self-inspection of production equipment, workplace environmental monitoring, internal safety and health audits, health check-ups and medical care, emergency response and drills, occupational accident management and legal reporting, as well as subcontractor management and construction audits.

The self-management measures for occupational safety and health include pre-employment training for new employees, on-the-job training, and certification training. Potential hazards are identified and classified to control and manage risks. Standard operating procedures for safe machine operation are implemented to reduce employee risks. Necessary protective measures or personal protective equipment are provided. Workplace environmental monitoring, emergency response and evacuation drills, regular health check-ups, and proactive care are carried out. In the event of an accident, timely medical care is provided, and internal safety and health audits are conducted to prevent internal disasters and minimize risks. Continuous improvement of safety and health work is emphasized.

Kinsus's occupational safety and health management system is planned, reviewed, identified, evaluated, confirmed, and continuously improved based on various regulations, international standards such as ISO 45001, ISO 14001, CNS 45001, and company standards. The process and implementation effectiveness are shown in the diagram below:



6.6.1 Safety and Health Policy, Risk Assessment and Accident Investigation

Material topics → Safety and Health Policy: [Zero Occupational Accidents]

Management Policy

Goal and Target: Assess, improve, or control risks and opportunities, prioritize prevention over remediation, and enhance occupational safety and health performance.

Commitment: Utilize due diligence investigations and proactive communication methods to provide employees with a safe, healthy, and high-quality workplace, while ensuring the safety of contractors and visitors.

Management measures:

- (1) Adhere to the "ISO 45001 Occupational Health and Safety Management System" and the "Occupational Safety and Health Act" as standards.
- (2) Comply with occupational safety and health laws and other requirements, establish hazard identification, and reduce occupational safety and health risks.
- (3) Implement an occupational safety and health system, including self-inspection and management.
- (4) Provide occupational safety and health education and training, emergency response drills and exercises, and workplace environmental monitoring.

Kinsus aims to effectively manage activities, products, and services related to environmental safety and health. Based on regulatory requirements and standards such as CNS 45001, ISO 14001, and ISO 45001, Kinsus has established an environmental safety and health management system to continuously improve environmental safety and health performance. The company strives to provide a safe working environment for employees, dispatched personnel, and contractors, and create a high-quality workplace where employees can enjoy their work and have a fulfilling life outside of work.

In response to the publication of the international Occupational Health and Safety Management System ISO 45001 in March 2018, Kinsus completed the transition verification process for the ISO 45001 Occupational Health and Safety Management System in 2019. This year's verification scope covered three factory areas: Shih-Lei Factory, Tsing-Hua Factory and Xing-Feng Factory¹, including employees (including 5,591 dispatched personnel), contractors, and dispatched personnel involved in routine and non-routine operations. Risk assessments were

conducted based on the AES01000 "Environmental Impact and Occupational Safety and Health Hazard Assessment Operating Procedure," identifying annual intolerable and high-risk items. The main categories were chemical and equipment/machinery hazards, and countermeasures were developed to achieve the goal of risk reduction.

In 2022, based on an understanding of on-site needs, ongoing safety-related activities and projects were implemented to enhance on-site safety environment and reduce occupational incidents, thus avoiding the impact of accidents on production.



Emergency Response and Accident Investigation

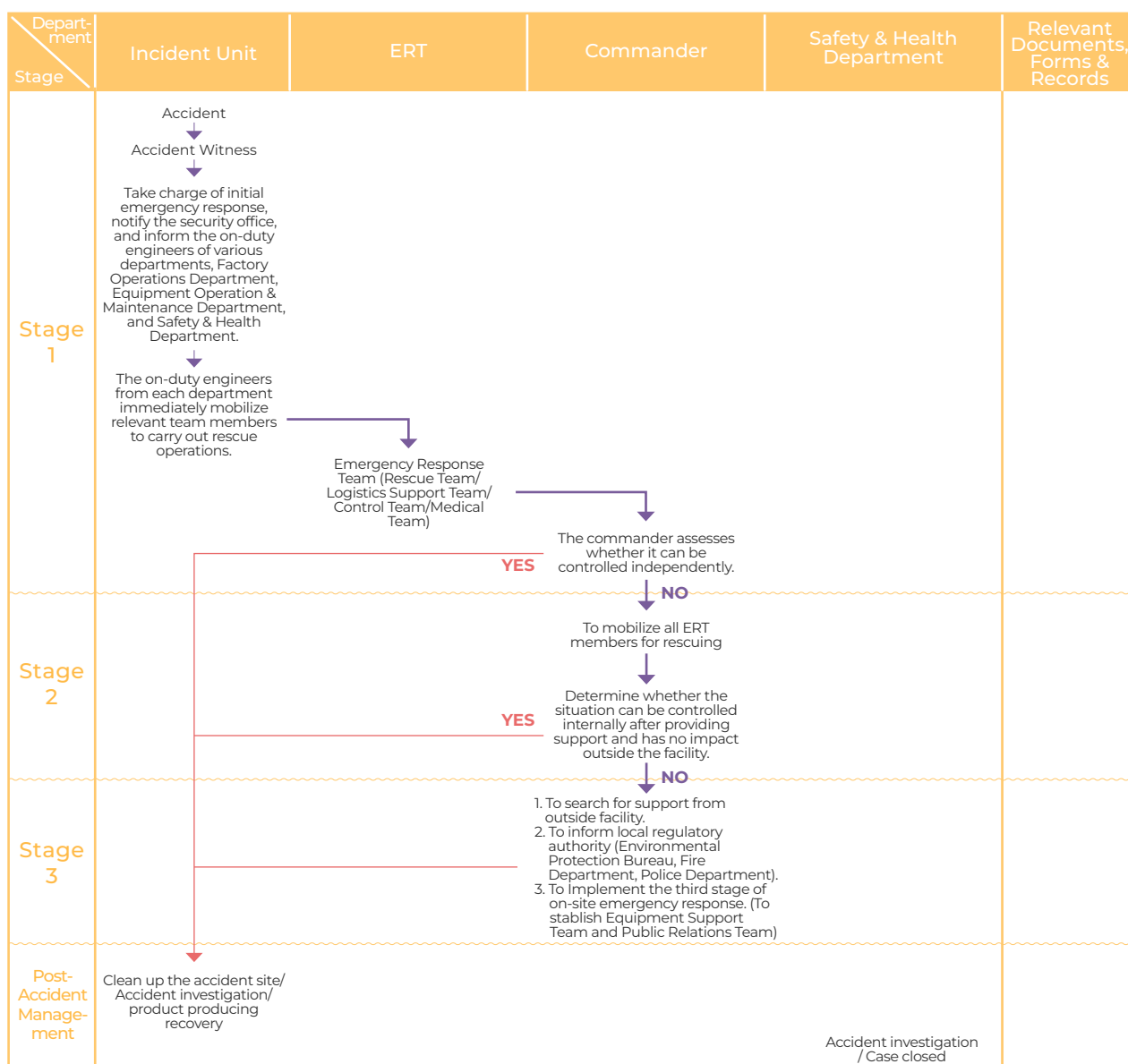
Employees, dispatched personnel, and contractors are all entitled to the right to evacuation in hazardous situations. In the event of personnel injury during operations, the handling process follows the company's procedure manual AES05002 "Guidelines for Emergency Incident Handling Management," and accident investigation and improvement measures are implemented. Contractors are required to comply with legal requirements, join the agreement organization, and complete hazard notification before commencing operations, ensuring safe operations.

In 2022, there were 2,794 on-site contractors across all Factory areas, and no significant occupational accidents occurred.

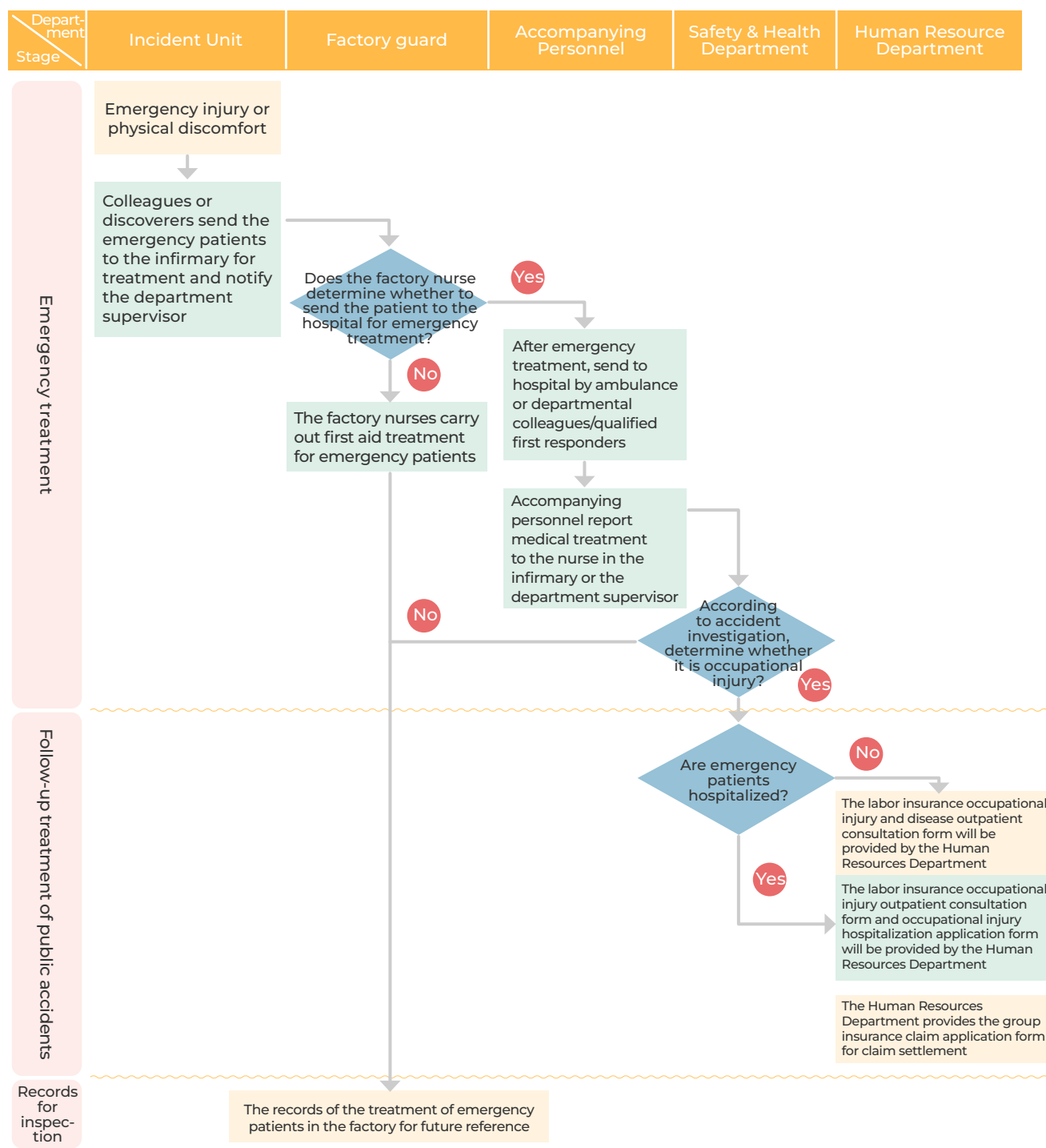
Factory Area	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (including Xing-Feng I and Xing-Feng II)
Number of Contractors	914	903	977

Note: Major occupational accidents are defined as those unable to attend work for more than 180 days

Accident Response Phase Flow Chart (Including Emergency Response)



Personnel Injury Treatment Flow Chart (Including Accident Investigation)



6.6.2 Occupational Safety and Health Committee

Kinsus is committed to reducing the risk of accidents in its business activities and implementing safety and health measures systematically and continuously. The company has established an Occupational Safety and Health Committee in compliance with the law, with labor representatives accounting for more than one-third of the committee. The committee is responsible for formulating occupational safety and health regulations, occupational safety management plans, hazard identification, risk assessment, application of graded control, accident investigation, auditing, and decision-making regarding the use of contractors and subcontractors. The Occupational Safety and Health Committee meets once every quarter, with a total of four meetings held in 2022.

Occupational Safety Committee Labor-Management Committee Composition Ratio is as follows:

Year Site Personnel	2020			2021			2022		
	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory (Note 1)
Total Number of Committee Members	18	19	18	23	20	26	22	20	51
Number of Labor Representatives	10	9	10	11	10	11	10	10	23
Proportion of Labor Representation (%)	55.55	47.36	55.55	47.83	50	42.31	45.46	50	45.09

Note 1: Xing-Feng Factory refers to the Xing-Feng Factory1 and Xing-Feng Factory2

Statutory Professional Certificate Personnel for Occupational Safety and Health Protection:

When building a new factory or partially rebuilding it, relevant units such as manufacturing, management, information and security all conduct safety and health risk assessments.

The Kinsus Safety & Health Department has allocated the required number of personnel, and the number of professional security personnel with statutory certificates in 2022 is as follows:

Name of Certificate of Professional Security Personnel	Number of People
Occupational Safety and Health Specialist (Class A)	7
Occupational Safety and Health Specialist (Class B Technician)	12
Nurse	7
Manager of Occupational safety and health affairs (Type A)	9
Fire Prevention Manager	13
First responders	102

The number of legal certificates of the above-mentioned professional safety and health personnel (including Shih-Lei Factory, Tsing-Hua Factory, Xing-Feng Factory1 and Xing-Feng Factory2) is in compliance with relevant occupational safety regulations.

Occupational Safety and Health Education and Training:



In 2022, Kinsus conducted internal training primarily focused on occupational safety and health education for new employees and ongoing training for existing employees. The total number of employees trained in the three Factory areas was 36,603, with a total of 17,501.5 hours of internal training completed. Regarding external training, the emphasis was on fulfilling the legal requirements for periodic retraining for personnel engaged in specific tasks such as organic and specialized operations, as well as those operating dangerous machine. The total number of employees receiving external training in the three Factory areas was 541, with a total of 5,109.1 hours of training completed. The total cost for external training was 1,962,630 TWD.

Despite the cooling of the COVID-19 situation in 2022, the training courses related to environmental safety and health were conducted as scheduled, without impacting the arrangement of internal and external training. Moving forward, Kinsus will continue to promote and organize occupational safety and health education and training programs to comply with legal requirements.

The number of classes, number of people and hours of safety and health education training in the past year are as follows:

Site \ Annual Hours etc.	Internal Training in 2022		2022 Foreign Training	
	Person-Times	Total Hours	Number of People	Total Hours
Shih-Lei Factory	6,370	3,597	108	836.8
Tsing-Hua Factory	10,514	4,702.5	231	1,554.8
Xing-Feng Factory (Note 1)	19,719	9,202	202	2,717.5
Total Number of People / Hours:	36,603	17,501.5	541	5,109.1
Total Hours of Internal and External Training:	22,610.6			
Annual Average Training Hours (Note 2) :	3.83 Hours			

Note 1 : Xing-Feng Factory refers to Xing-Feng Factory1 and Xing-Feng Factory2

Note 2 : Annual average training hours = total internal and external training hours / total number of employees at the end of December of the current year (5,905)

Occupational Safety and Health Education and Training:

Project	Number of Contractors	Number of Trainees	Total Hours of Training
Hazard Notification Training	105	647	647

Occupational Safety and Health Management of Suppliers

In accordance with our company's procedure "APR06000 Code of Conduct for Corporate Social Responsibility," an annual corporate social responsibility audit is conducted on major raw material suppliers and waste disposal facilities in our supply chain. Through on-site evaluations of suppliers, we aim to promote continuous improvement of occupational safety and health management systems.

6.6.4 Measurement of Working Environment

Working Environment Measurement:

In the year 2022, Kinsus conducted environmental monitoring in various factory areas. (Environmental Monitoring Results in each FactoryIn 2022 on pages 5-6 from 5.2.1 Environmental Performance Monitoring) A total of 25 parameters were monitored, with Shih-Lei Factory having 349 monitoring points, Tsing-Hua Factory having 478 points, Tsing-Hua Factory1 having 512 points, and Tsing-Hua Factory2 having 321 points. All of these monitoring results were found to be within the permissible concentration limits set by regulations.

Moving forward, we will continue to monitor the hazardous factors related to physical and chemical properties in the work areas, aiming to provide a safe and healthy environment for our employees. However, for the monitoring results of four parameters in the office area, namely carbon dioxide, illumination, noise (dosage), and noise (direct reading), please refer to the following table:

Serial number	Measurement Items	2022				Allowable Concentration
		Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory 1	Xing-Feng Factory 2	
1	Carbon Dioxide	512-1920	487-923	444-1056	423-1093	5000ppm
2	Illumination	311-721	302-530	78-1751	88-1102	50~1000 Lux (Note 1)
3	Noise (Dose)	58.7-86.4	60.3-86.3	58.5-85.3	62.5-85.8	90dBA
4	Noise (Direct Reading)	63.1-89.0	76.8-89.2	75.4-89.8	62.5-88.2	90dBA

Note 1 : Refer to the standard value of Article 313 of the Regulations for the Occupational Safety and Health Equipments and Measures, and Article 4 of the Standard for Visual Function Protection for Workers Engaged in Precision Operations

6.6.5 Occupational Accident Statistics

1. Occupational Accident Statistics

According to the regulations of the Occupational Safety and Health Act, Kinsus is required to report monthly occupational accident statistics analysis through online submission. In the event of a workplace safety incident, the relevant supervisors are immediately notified according to the reporting process. An accident investigation and analysis are promptly conducted, and improvement measures are implemented to prevent similar incidents from recurring. The most common types of disabling injuries in the factory are typically associated with being caught, crushed, or coming into contact with hazardous substances.

Based on the analysis of the lost workday case rate over the past three years, the total number of working days and hours in 2022, regardless of gender, were higher than in 2021. Consequently, there has been a slight increase in the number of disabling injuries and absenteeism days compared to 2021. The company has identified areas for improvement through the analysis of occupational injury incidents and has initiated on-site improvement activities. For example, the "Occupational Safety and Health Education Training E-learning Project" has been implemented, and the "Safety and Health Performance Evaluation System" in the workplace continues to be operational. The goal is to achieve continuous improvement and enhancement.

Analysis of the ratio of working days and hours lost due to occupational accidents in the last three years :

Year	2020		2021		2022	
Item	Female	Male	Female	Male	Female	Male
Total Working Days	826,272	504,264	829,331	536,203	898,872	617,696
Total Hours Worked	7,518,538	4,588,942	7,677,096	4,927,431	7,190,978	4,941,546
Total Hours of Absence (Note 5)	53,065	39,924	56,673	46,658	78,738	64,971
Number of Disabled People	19	5	21	11	24	5
Total Disabling Injury Lost Days	171	26	98	75	154	10
Total Number of Occupational Diseases	0	0	0	0	0	0
Work Fatalities	0	0	0	0	0	0

Analysis of Employee Injury Rate

The analysis of the Lost Workday Case Rate is shown in the following table, reflecting the trends in the occupational injury rate, absenteeism rate, and lost workday rate (all higher in 2022 compared to the previous two years). The trends of these three indicators are consistent. Additionally, there have been zero cases of occupational diseases in the company over the past two years. Therefore, it can be concluded that the occurrence of occupational injuries has not resulted in the development of occupational diseases.

Year	2020		2021		2022	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	0.51	0.22	0.55	0.45	3.34	1.01
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	4.55	1.13	2.55	3.04	21.42	2.02
Absence Rate (Note 4)	6.3	7.8	7	8.5	9	11

Note 1 : IR is calculated by disabling injury frequency (FR): (total number of disabling injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 2 : ODR=(number of occupational diseases identified in the year/total working hours)x1,000,000

Note 3 : LDR=(total lost days of disability injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 4 : Absenteeism rate (AR) = [(work injury leave + sick leave + menstrual leave and other leave hours) ÷ total experienced working hours] ×100%, of which work injury leave includes hours of leave for commuting to and from get off work due to traffic accidents

Note 5 : Including hours of absence due to commuting traffic accidents

Analysis of Non-Employee Job Loss Ratio:

The analysis of the Lost Workday Case Rate for non-employees over the past three years is shown in the following table. In 2022, the total number of workdays, work hours, lost-time injury cases, and total lost workday cases for both males and females have decreased. This indicates a decreasing severity of work-related injuries in 2022. Furthermore, there have been no cases of occupational diseases or work-related fatalities during this period.

Year	2020		2021		2022	
Item	Female	Male	Female	Male	Female	Male
Total Working Days	30438.84	33106.20	40733.05	40098.66	27108	35059
Total Hours Worked	223073.79	293753.21	253888.27	353632.74	242205	313182
Number of Disabled People	1	0	4	1	0	0
Total Days Lost for Disabling Injuries	20	0	18	2	0	0
Total Number of Occupational Diseases	0	0	0	0	0	0
Work Fatalities	0	0	0	0	0	0

Analysis of Non-Employee Job Loss Ratio:

According to the analysis of the Lost Workday Case Rate for non-employees, as shown in the table below, the work-related injury rate (in 2022) is lower than the previous two years. The overall lost workday case rate (in 2022) is also lower compared to the previous two years. The trends of these three indicators are consistent. Additionally, there have been no cases of occupational diseases among non-employees in the past two years. This indicates that work-related accidents have not led to the occurrence of occupational diseases among dispatched workers.

Year	2020		2021		2022	
Item	Female	Male	Female	Male	Female	Male
Injury Rate (IR) (FR) (Note 1)	2.78	0.00	5.59	2.87	0	0
Occupational Disease Rate (ODR) (Note 2)	0	0	0	0	0	0
Lost Days Ratio (LDR) (Note 3)	55.56	0.00	25.18	5.74	0	0

Note 1: IR is calculated by disabling injury frequency (FR): (total number of disabling injuries/total working hours) x1,000,000 (excluding commuting accidents)

Note 2: (number of occupational diseases identified in the year ÷ total working hours) x1,000,000

Note 3: (total lost days of disability injuries/total working hours) x1,000,000 (excluding commuting accidents)

2. Occupational Safety Violations

In 2022, two incidents occurred (Note 1): one involving a contractor's fall at Xing-Feng Factory², which was investigated by the North District Occupational Safety and Health Center in May, and another involving an employee's hand injury during equipment maintenance at Tsing-Hua Factory, which was investigated by the Office of Labor Inspection, Taoyuan in July. Subsequently, both cases were notified in writing for violations of relevant regulations under the Occupational Safety and Health Act, and the parties were required to make improvements within a specified period, which were completed and closed. As an example based on these

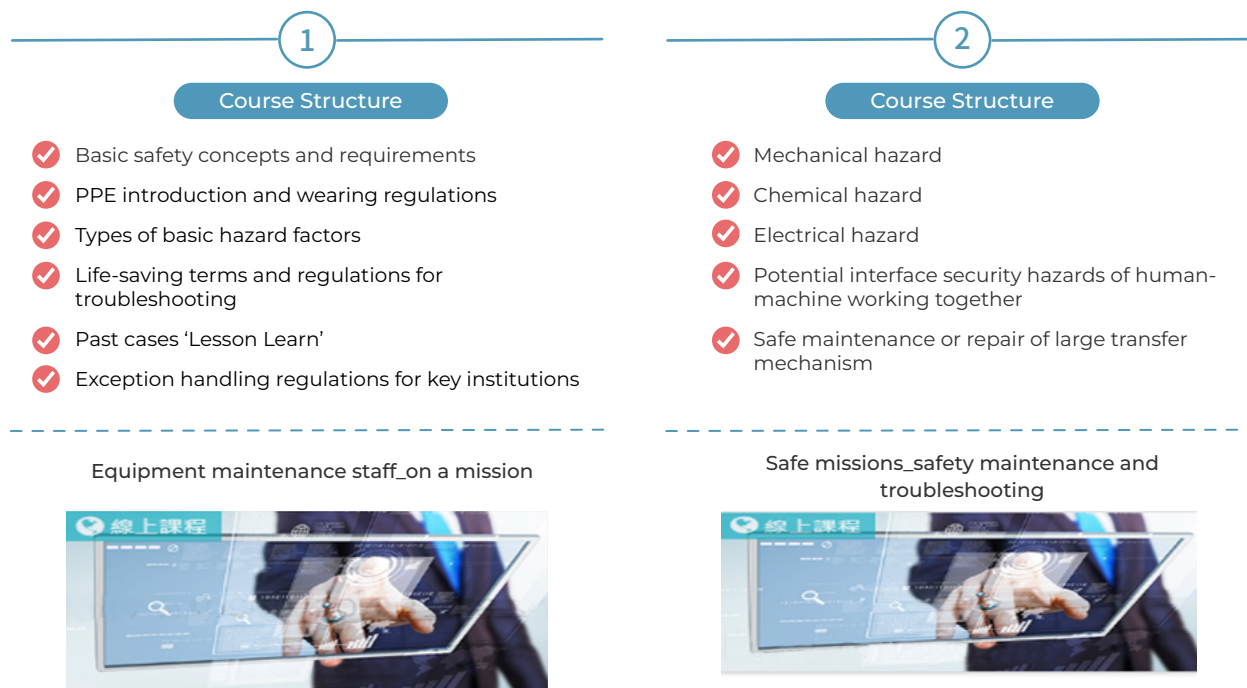
Note 1: Cases involving fines by the competent authority.

6.6.6 Occupational Safety and Health and Loss Prevention Related Activities

1. Occupational Safety and Health Education and Training (E-learning):

In order to effectively reduce the occurrence of occupational accidents among employees, Kinsus has adopted a different approach by using E-learning to convey safety awareness and concepts, aiming to enhance employees' safety consciousness. In the year 2022, priority was given to the implementation of E-learning for personnel involved in equipment maintenance and troubleshooting, with post-training assessments conducted to evaluate the learning effectiveness and track progress.

The Topics and Textbooks of Occupational Safety E-Learning Courses are summarized as follows:



The result after training → Number of people passed

Factory Site →	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory
Number of People Passing the Training (Person)(Note)	53	132	115

Note 1:
Passing the training means that a passing score of 90 points is required

2. Education and Training to Improve Personnel Safety Awareness

Due to the large number of new employees in Xing-Feng Factory², we specially conduct on-site safety awareness education and training for colleagues. The promotion content is arranged differently according to each manufacturing process, and physical teaching is carried out at the manufacturing process site, including safety protection, emergency response, chemical management, etc. Oriented, in order to improve the safety awareness of personnel at work, a total of 556 persons of training have been completed, and the training completion rate is 100%. Afterwards, this training will be extended to Xing-Feng Factory¹, and all production line personnel training will be completed. It is expected that in the future, it will be held once a year. The teaching method continues to be implemented.



Training Results

3. Damage Prevention Performance

Sustainable development is an important goal of Kinsus. A considerable amount of resources and management methods have been invested in the management of fire damage prevention, hoping to prevent fire incidents. Kinsus has two indicator management methods for fire damage prevention. "Infrared Thermographic Inspection of Electrical Equipment" and "Equipment Over-temperature Protection Inspection" are carried out in coordination with the factory maintenance and equipment maintenance and operation departments on a weekly basis to detect abnormal conditions of equipment and control fire risks. In 2022, there will be "zero" fire incidents in the factories of Kinsus.

(1) Infrared Thermographic Inspection of Electrical Equipment

The abnormality of electrical equipment is the main cause of fire accidents. The signs of abnormality can be found through the current heating status and then preventive improvement can be implemented. According to the NFPA standard, the overheating rules of each electrical component are defined. The detection range includes the main power supply system, public equipment power system equipment, and production power supply. The system equipment is inspected by thermal imaging equipment every week, and it is completed once a quarter. Since 2019, the random inspection rate of the security department (ESH) has been strengthened.

In 2022, the spot check rate has reached nearly 100%. A total of 15,965 pieces of electrical equipment were inspected in the three factory areas, and 106 pieces of abnormality were detected, all of which have been improved to prevent abnormal power fire incidents.

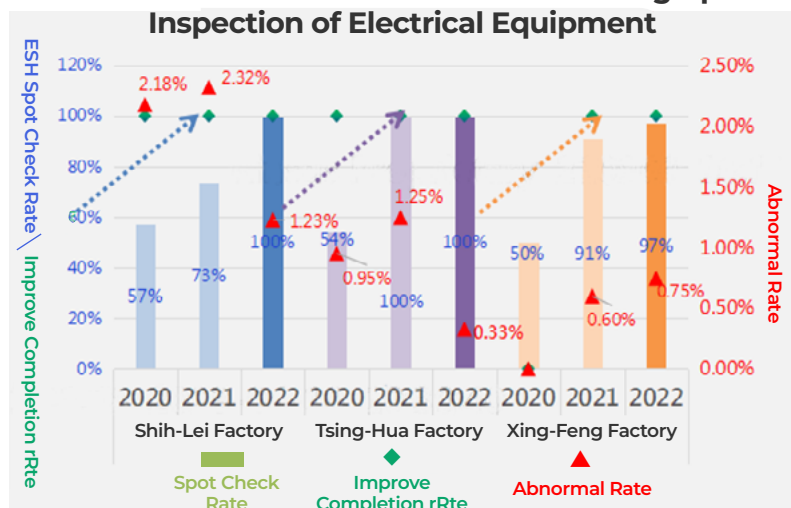
Factory Site	Year	Detection Quantity	ESH Quantity of Sampling	ESH Spot Check Rate (Note 1)	Number of Abnormal Cases	Abnormal Rate (Note 2)	Number of the Completed Improvement	Improve Completion Rate (Note 3)
Shih-Lei Factory	2020	2526	1444	57%	55	2.18%	55	100%
	2021	2716	1995	73%	63	2.32%	63	100%
	2022	2607	2607	100%	32	1.23%	32	100%
Tsing-Hua Factory	2020	6001	3260	54%	57	0.95%	57	100%
	2021	6252	6252	100%	78	1.25%	78	100%
	2022	6388	6388	100%	21	0.33%	21	100%
Xing-Feng Factory	2020	3369	1687	50%	0	0.00%	0	N/A
	2021	3849	3504	91%	23	0.60%	23	100%
	2022	7091	6879	97%	53	0.75%	53	100%

Note 1: ESH spot check rate = (ESH spot check quantity / detection quantity) x 100%

Note 2: Abnormal rate = (Number of abnormal pieces / Number of inspections) x 100%

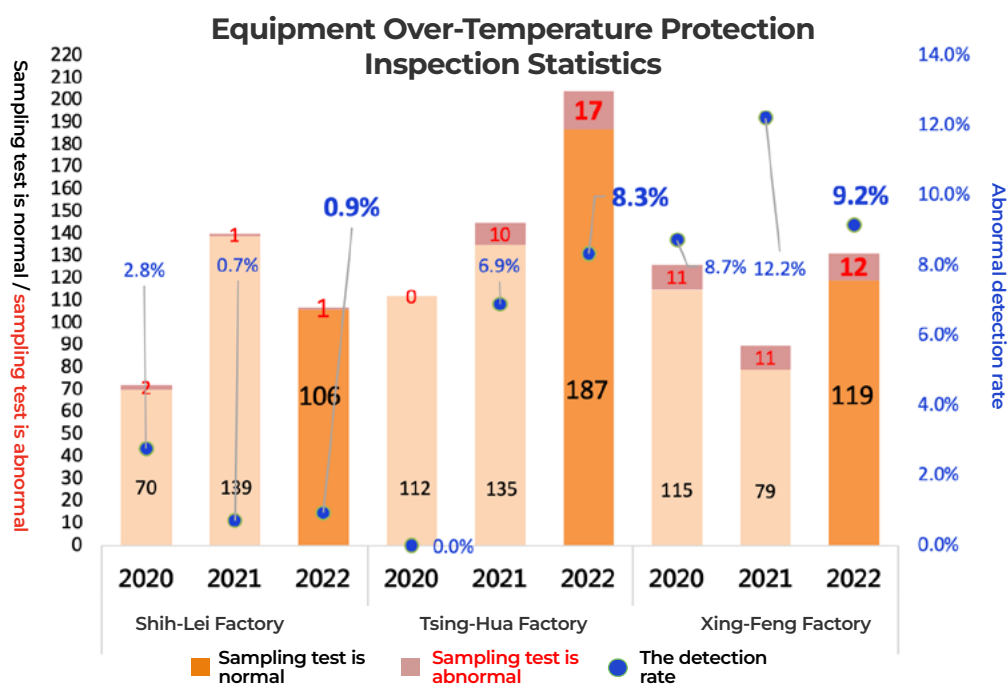
Note 3: Improve completion rate = (number of completed improvements / number of abnormal pieces) x 100%

Detection Trend Chart of Infrared Thermographic Inspection of Electrical Equipment



(2) Equipment Over-Temperature Protection Inspection

At least one inspection of the heating protection system of production equipment is carried out every year, and the inspection items are temperature protection relay, solid state relay (SSR), liquid level control system, and abnormal alarm system, so as to prevent the failure of the temperature control of the heating element of the equipment, dry heating and other heating abnormal conditions. In 2022 The third Factory Inspected a total of 442 units (Note 1), and detected 30 abnormal cases, all of which have been improved.



Note 1: Calculation of the number of random tests: normal numbers of random tests + abnormal numbers of random tests

Note 2: Detection rate = [abnormal number of sampling test / (normal number of random testing + abnormal number of random testing)] × 100%

(3) Safety and Health Performance

In order to enhance employees' sense of importance and participation in the company's safety and health culture, a safety and health performance system for each factory will be tried and established in 2021. The targeted departments are mainly divided into direct units (manufacturing, equipment, factory affairs) and indirect units (property management, quality control, general affairs), and the scoring items and benchmarks are set, as shown in the following table:

Item	Grading Items	Basic Points (Note 1)	Plus and Minus Points	Total Points (Note 2)
1	Industrial Safety Accident	80 Points	-5	>70 Points
	No Work Rules Violated (Negligence)		-2	
2	False Alarm		-3	
	Violation of Operating Regulations No Work Rules Violated (Negligence)		-1	
3	Missing Inspection		-1	
4	Security Operations (Reports, Surveys, Checklists, Meeting Attendance...)	80 Points	2	>70 Points
	Submitted on Time		-1	
	Late Submission (Within One Week)		-3	
5	Self-Management (Item)		2	
	League of Ideas			

Note 1: The basic score is the starting benchmark score

Note 2: If the quarterly monthly average (total score) does not reach 70 points, the department will be required to submit an improvement report

In 2022, the Results of Formal Implementation of Safety and Health Performance are as follows:

Unit	Shih-Lei Factory *A	Tsing-Hua Factory *A	Xing-Feng Factory 1 *A	Xing-Feng Factory 2 *A	*B	*C	*D	*E	*F
Jan.	77.8	81.8	75.2	-	82	82.7	82.3	83.7	80.7
Feb.	82.8	81	75		82.3	84.7	83.3	83.7	82
Mar.	81	81.2	76.8		81.8	78.8	82.5	83	79.5
Apr.	78.4	84	75.2	77.7	79.8	79	83	82.8	80.8
May.	75.8	84.3	70.8	80.3	81	80.5	81	80.8	80
Jun.	75	82.5	75.2	79.5	80	76.5	81.3	81.8	77
Jul.	79	84.8	78.5	83.5	82.8	82	82	82	81.8
Aug.	80.4	81.8	77.2	78.2	81.8	80.3	83	82.5	79.5
Sep.	80.8	82.8	81	80.3	80.5	80.3	83.3	82	81
Oct.	83.2	82.2	82.2	81.2	81	84	83.3	84.7	80.7
Nov.	86.2	84.3	82	80.8	84.7	80.7	83	86	82.7
Dec.	80.4	86.3	83.5	84.3	84.3	81.3	84.3	85.7	81.7
Result	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged	Remain unchanged

Through the above safety and health performance evaluation system, the implementation status of safety and health activities in each department can be quantified, and it is expected that the enhanced reward mechanism will be implemented in 2023, so that the employees can actively participate in safety and health activities and strive for honor.

6.6.7 Emergency Response and Drills

Kinsus has established good accident notification and emergency response, accident investigation and improvement procedures to reduce the impact and risk on life, property and the environment when an emergency occurs, to ensure the safety of employees, and to maintain the sustainable operation of the company. Special plans are made every year Carry out all kinds of emergency response training and drills, hoping to effectively deal with accidents, reduce the loss of personnel and property, and prevent accidents from recurring.

Due to the severity of the COVID-19 epidemic in 2022, in order to avoid large-scale infection caused by close contact with colleagues, most of the training and drills will be combined with the second half of the year. The Emergency Response Center is equipped with the following facilities:

1. Emergency Response Training

(1) Emergency Response Team Training (ERT)

Implement emergency response team personnel training every six months, training in personal protective equipment wearing, fire extinguishing equipment operation, emergency response procedures, confirmation of evacuation guidance routes, emergency care, notification from competent authorities, etc., and training for commanders' response capabilities, 2022 Three sessions were carried out in three factory areas in a year, and a total of 441 people from day and night shifts participated in the training.

(2) Long-Term Employee Education and Training

In order to effectively control fire accidents at the first stage, so as to minimize the severity and damage, each employee needs to receive education and training for long-term employees every 2 years. The training content includes safety and health knowledge, fire extinguisher and fire hydrant operation, etc. Skills to prevent employees from being too unfamiliar with the actual operation of fire extinguishing equipment. In 2022, three training sessions were implemented in the three factory areas, and a total of 835 people on day and night shifts will participate.

(3) Professional Rescue and Fire-Fighting Training

Strengthen the emergency response skills of the ERT rescue and fire-fighting team. Every year, members of the rescue and fire-fighting team are sent to the Minghu fire training site in Hsinchu to implement various professional rescue and fire-fighting skills training. Wearing training, turbine nozzle fire extinguishing operation training, fire scene combustion chamber simulation training, 3 levels of training will be implemented in 2022, and a total of 49 trainers will participate.

2. Emergency drills

(1) Unannounced Drill

A drill is carried out every six months, aiming at the immediate rescue and execution notification in case of a fire on site. In 2022, there were a total of 5 drills in three factory areas, with a total of 53 people performing the drill.

(2) Dormitory Fire Comprehensive Drill

Conduct comprehensive dormitory fire drills every six months, aiming at the notification, fire extinguishing and evacuation of dormitory staff, and strengthen the dormitory staff's sensitivity to fire alarm situations to reduce fire risks. In 2022, 3 drills will be implemented, with a total of 991 dormitory staff drills, of which Xing-Feng Factory has begun to implement full-staff evacuation drills for the dormitory colleagues, and the Xinwu Factory is expected to be implemented in 2023.

(3) Large-Scale Comprehensive Drill in the Factory Area

Implement fire and chemical disaster emergency response drills every six months, and cooperate with the Xinwu Fire Brigade to conduct joint large-scale comprehensive drills, record the accuracy and fluency of the operation actions of each response team, record the time of each operation action, and make improvements according to the suggestions of the fire brigade. In 2022, combined with current affairs reports, a comprehensive drill of chemical cremation disasters was carried out. A total of 3 drills were carried out in the three factory areas, and 756 people participated in the drill.

In 2022, the Emergency Response Training and Drills in Each Factory Area are summarized in the following table:

Plan Area		Shih-Lei Factory		Tsing-Hua Factory		Xing-Feng Factory		Total
Year/ Number		2022 Number of Participants in H1 Drills	2022 Number of Participants in H2 Drills	2022 Number of Participants in H1 Drills	2022 Number of Participants in H2 Drills	2022 Number of Participants in H1 Drills	2022 Number of Participants in H2 Drills	統計人數
Drill Item								
Emergency Training	Emergency Response Team Training (ERT)	Not Implemented due to the Impact of the Pandemic	126	Not Implemented due to the Impact of the Pandemic	126	Not Implemented due to the Impact of the Pandemic	156	441
	Long-Term Employee Education and Training	225		292		318		835
	Professional Rescue and Firefighting Training	13		17		19		49
Emergency Response Drill	Unannounced Drill	5	6	13	6	Not Implemented due to the Impact of the Pandemic	23	53
	Dormitory Fire Drill	Not Implemented due to the Impact of the Pandemic	29	Not Implemented due to the Impact of the Pandemic	100	Not Implemented due to the Impact of the Pandemic	862	991
	Large-Scale Comprehensive Drill in the Factory Area	Not Implemented due to the Impact of the Pandemic	140	Not Implemented due to the Impact of the Pandemic	200	Not Implemented due to the Impact of the Pandemic	416	756

3. Emergency Response Training Performance

| Professional firefighting training (Hsinchu fire training)



| Rescue fire drill (ERT)



| Education and training for long-term employees



4. Emergency Drills

| Unannounced drill



Dormitory evacuation & fire drill



Total evacuation & large-scale fire drill



6.7 Health care

6.7.1 Goodwill Workplace

Kinsus values great importance to the physical and mental health of employees, formulates health service management plans in accordance with the Occupational Safety and Health Act and Rules for Labor Health Protection, and continues to implement them in four directions: health care, occupational health care, disease prevention, and health promotion. In 2022 A total of 3,587 persons were served.

Year	2020	2021	2022
Number of Service	3,789	4,138	3,587

Each Factory area has a medical room, and is equipped with full-time nurses and occupational disease specialists to provide on-site services to provide physical and psychological consultation services for colleagues. In 2022, there were a total of 156 service sessions, with a total service of 468 hours. The service content mainly includes work hazard improvement in the workplace environment, return to work/allocation assessment after injury, health consultation, etc.

Numbers/Time of On-Site Physician Services in the Last Three Years:

Year	2020			2021			2022		
Site Item	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory	Shih-Lei Factory	Tsing-Hua Factory	Xing-Feng Factory
Service Times	36	72	36	36	72	36	36	72	48
Service Time (Hours)	108	216	108	108	216	108	108	216	144

Note : 1. In 2022, Xing-Feng Factory2 was included in the statistics, so the service frequency and time have increased.

In addition, plan a series of health promotion activities, encourage the establishment of sports clubs, and at the same time enhance employees' awareness of taking care of their physical and mental health, enhance employees' health awareness, attitudes, values, skills, and establish good health behaviors to create a healthy workplace atmosphere. To promote the implementation of healthy life and pursue the healthy state of "Health For All" as the goal.



6.7.2 Health Check and Improving Health Care

Kinsus conducts regular health examinations for its general and special operation employees every year. The purpose is to detect and treat any health issues at an early stage to prevent potential problems. Prior to the health examinations, a selection mechanism for healthcare providers is established to ensure the quality of the services. The selected hospitals not only offer high-quality health check-ups but also provide meaningful examination reports. During the examination period, the participation rate is tracked daily to ensure that all employees undergo the examinations as scheduled. After the health examinations, a health management classification system ranging from level one to level four is implemented by Kinsus. Priority is given to follow-up visits and monitoring for employees with significant abnormalities. Employees classified as level four and level three receive one-on-one consultations with occupational physicians, and if necessary, they are referred to outpatient clinics for further treatment and follow-up or enrolled in health protection programs. Employees in other levels are provided with consultations from occupational health nurses or health education services. For individuals with conditions such as hypertension, hyperlipidemia, and metabolic syndrome, educational materials in the form of brochures with written instructions and visual aids are provided to facilitate their understanding of the correct concepts. Additionally, through digital management, the continuity of employees' healthcare records is maintained, and occupational health nurses from different departments can provide immediate medical care and assistance. In 2022, a total of 1,955 employees underwent general health examinations, achieving a 100% participation rate, with zero cases of occupational diseases.

The examination results are compiled for statistical analysis of the top ten abnormalities. Based on these findings, health management plans and health promotion activities are developed, including weight reduction programs and exercise guidance. These initiatives aim to help employees establish healthy habits, improve their physical condition, and enhance their health awareness. Furthermore, educational materials are available at the clinic for employees to request, and health education posters are regularly updated on bulletin boards and the company's website to increase employees' health knowledge and promote accurate health concepts, ultimately achieving the goal of preventive care.

6.7.3 Occupational Health Care

According to Occupational Safety and Health Act, Kinsus promotes various programs to address abnormal workloads, maternal health protection, musculoskeletal disorders, and hazards related to repetitive tasks. When the medical clinic receives such requests, an immediate care mechanism is activated. Appropriate assessment scales are utilized, and the results from employee questionnaires are statistically analyzed. Occupational health consultations are arranged based on the findings. This proactive approach aims to identify and mitigate workplace hazards at an early stage, thus preventing the occurrence of work-related illnesses.

Maternal Health Protection

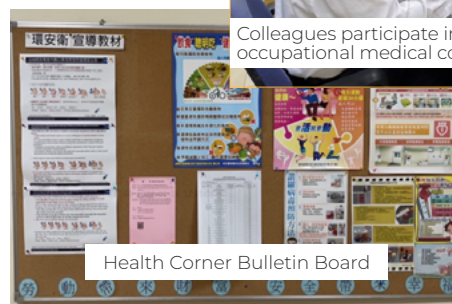
Kinsus has implemented preventive measures, including hazard assessment and control, physician consultations and guidance, risk classification management, and suitable work arrangements. Occupational disease specialists are assigned to identify and evaluate workplace environments and job hazards, including reproductive hazards, specific hazards, hazard control measures, and risk classification management. Written information is provided to inform employees about risks and provide guidance and counseling on maternal health during pregnancy, postpartum, and lactation, ensuring the physical and mental health of pregnant and breastfeeding employees.

In 2022, a total of 97 people completed the Work Suitability Assessment, and the Care List Care Rate will be 100%.

Year	2020	2021	2022
Maternal Care Visits	103	95	97



Colleagues participate in occupational medical consultations



Health Corner Bulletin Board



Occupational Doctors Go to a Mother's Work Area to Understand the Work Situation.



Breastfeeding Room (Exterior)



Breastfeeding Room (Interior)

A nursery room is set up within the factory premises to provide working mothers with a safe, cozy, and comfortable environment. The room includes private partitions with high privacy, an alarm system, and a bulletin board featuring childcare columns on breastfeeding and child care. It is equipped with a dedicated refrigerator for storing breast milk, bottle brushes, water dispensers, educational brochures, and manuals, among other items, to ensure that employees can confidently and comfortably continue breastfeeding.

In 2022, a total of 13 people will use the nursery room.

Year	2020	2021	2022
Number of Users of Nursery Room	12	24	13

6.7.4 Disease Prevention Management

1. Actively Promote Human Factors Risk Management

The company employs the Musculoskeletal Discomfort Scale to investigate and assess the health risks faced by employees. Cases with higher instances of repetitive or cumulative muscle discomfort are identified, and occupational health physicians, nurses, and safety personnel are assigned to use a checklist to conduct observations in the workplace. In the year 2022, based on the analysis of the NMQ (Nordic Musculoskeletal Questionnaire) pain scale questionnaire, there were 31 employees with a hazard level of ≥ 3 points. The company arranges for consultations with the factory physician to determine if the discomfort is work-related or not. If necessary, measures such as changing processes, adjusting work methods, modifying work hours, and providing personal protective equipment are implemented to reduce the hazards associated with repetitive tasks. Risk levels are differentiated, controlled, and closely monitored based on the severity. Educational campaigns and individual consultations are conducted to enhance employees' awareness of the risk factors related to musculoskeletal discomfort and minimize the occurrence of such discomfort.

2. Establishment of Major Disease Data Files and Tracking

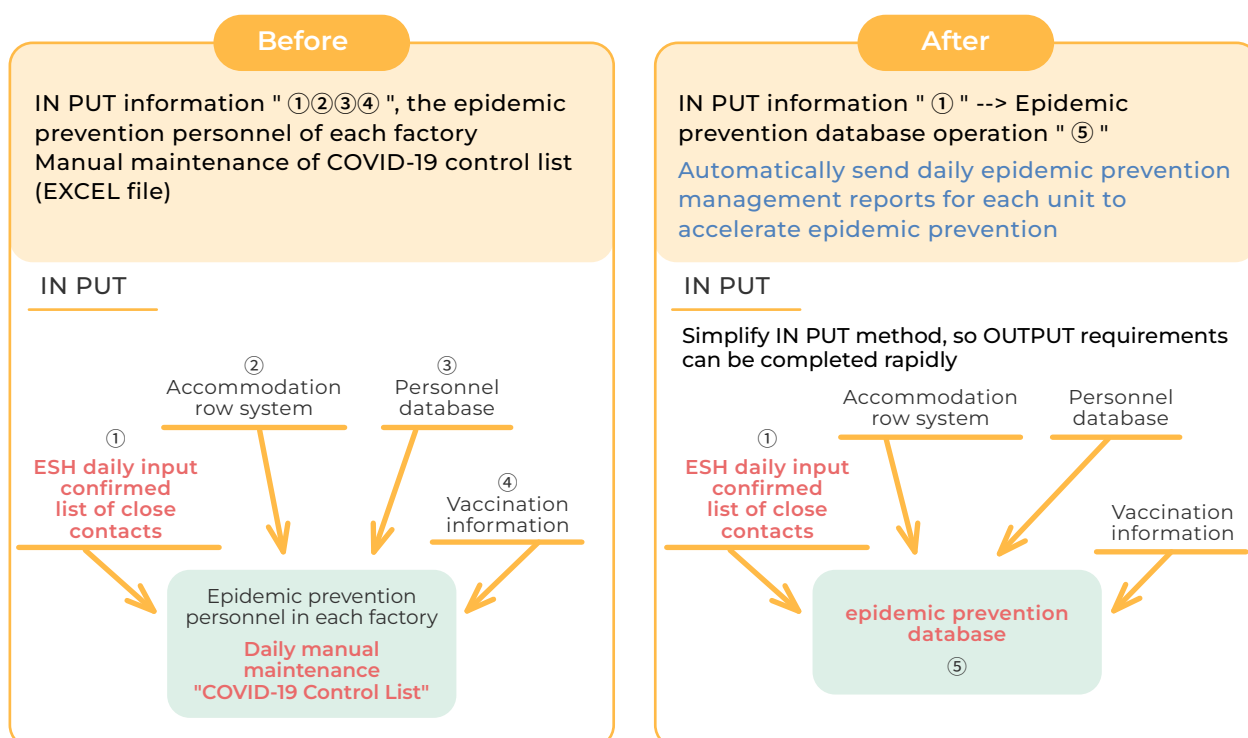
The company establishes a database for tracking and monitoring major illnesses based on monthly attendance records. The medical clinic manages the database and follows the referral and tracking mechanisms for diseases. For special health cases, in addition to tracking their individual records, personalized health services are provided. The opportunity of having an on-site factory physician is utilized to invite consultations and conduct health monitoring. In the year 2022, a total of 1,451 individuals received care and support.

3. Anti-Pandemic Measures

In response to the COVID-19 pandemic, Kinsus pays close attention to the domestic situation and holds regular epidemic prevention meetings. The company adjusts its internal epidemic prevention measures on a rolling basis. Relevant health education information is regularly disseminated through the company's internal website and bulletin boards to provide employees with the latest updates on the pandemic and correct preventive concepts. In 2022, a total of 19 pieces of epidemic prevention information were shared, aiming to enhance employees' awareness of preventive measures. An epidemic prevention handbook has also been developed to ensure the physical and mental health of every employee.

The health of employees is of utmost importance. Kinsus cares about the vaccination status of its employees. In addition to arranging transportation to vaccination centers, an online questionnaire survey system for vaccination status has been developed. This system enables occupational health nurses to quickly understand the vaccination status of employees and provide appropriate health education accordingly.

With the increasing severity of the pandemic, the Occupational Health and Safety departments in each Factory are always on high alert. They are responsible for monitoring staff attendance, verifying accommodation information, assisting with telemedicine consultations, and coordinating the distribution of meals and rapid test kits. Each day, at least two personnel are required to maintain and cross-reference files and data from all Factory areas, which takes a combined total of approximately 6 hours. To expedite the control of the pandemic across all Factory areas, cooperation with the Information Technology department has led to the establishment of an internal epidemic notification system. This system connects the accommodation allocation system, personnel database, vaccination records, and basic personal information based on information provided by employees. As a result, the time required for comparing and compiling the COVID-19 personnel management information has been significantly reduced to 1.5 person-hours. The implementation of this notification system allows the General Affairs department to quickly retrieve "personnel accommodation information" and manage the allocation and movement of close contacts and isolated individuals. The medical clinic can identify high-risk individuals and close contacts and implement preventive measures. The intermediary departments can obtain high-risk personnel information quickly to assist in epidemiological investigations, while the human resources department can maintain control over personnel information and arrange staffing. Additionally, preventive kits and education are provided for employees on business trips, serving a total of 7 individuals.



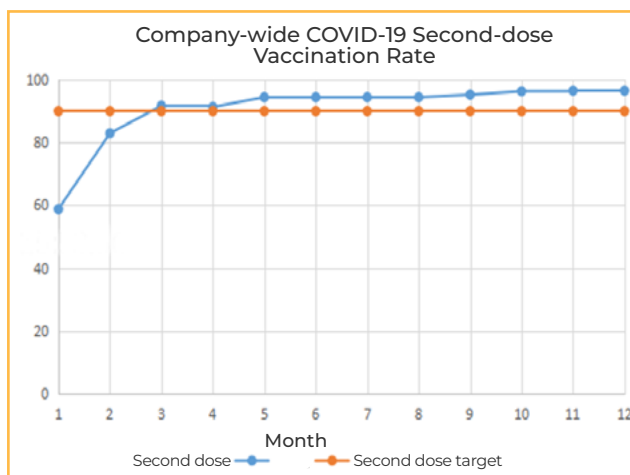
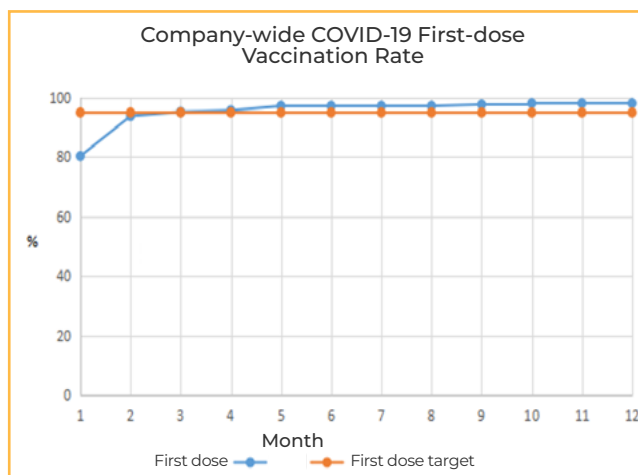
In addition to the development of the epidemic prevention system, Kinsus organized three vaccine symposiums at Tsing-Hua Factory to encourage employees to get vaccinated. The attendance rate for these symposiums was 73%. As a result of these events, 28 employees reported that they had completed their first dose of the COVID-19 vaccine. The vaccination rate among employees at the company increased from 80.3% in January to 98.1% in December for the first dose, and from 58.8% in January to 96.5% in December for the second dose. The vaccination rate for the third dose increased from 34% in April to 79.1% in December. Please note that the data was collected from January 26, 2022, to December 21, 2022.



COVID-19 Vaccine Administration Seminar



Colleagues inquire about workplace vaccination



Note : Data statistics period is from January 26, 2022, to December 21, 2022.

Shih-Lei Factory and Tsing-Hua Factory collaborated with the Ministry of Labor's rapid screening program for migrant workers and received rapid test kits provided by the government. A total of 1,077 migrant workers were screened. Xing-Feng Factory also initiated an internal rapid screening program for migrant workers, providing rapid test kits to 581 workers. All test results were negative. Additionally, during the pandemic, if any employees experienced physical discomfort, the medical clinic provided health care and distributed rapid test kits based on their symptoms.

Through the epidemic prevention efforts, Kinsus has grown and strengthened. It is believed that in the future, the company will be able to execute health protection measures more efficiently and prevent any outbreaks effectively.

6.8 Health Promotion Activities

The purpose of health promotion activities is to enable employees to understand the importance of a healthy lifestyle for their well-being, eliminate factors that may harm their health, cultivate a positive attitude towards health, encourage healthy behaviors, and create a healthy atmosphere in the workplace.

In 2022, the health promotion activities organized by the company include blood donation, weight loss activities, etc.

Item	Activity Name	Activity Hours	Number of Participants in the past Three Years		
			2020	2021	2022
1	Blood Donation	3 Hours	174 People	161 People	179 People
2	Weight Loss Activities	2.5 Months	--	118 People	382 People
3	Sports Injury Prevention and Treatment	1 Hour	--	--	51 People

Note : 1: "Weight Loss Activities" was suspended in 2020 due to the epidemic.

2: "Sports Injury and Disposal Activities" was a new activity launched in 2022, and had not been held in previous years.

Blood Donation Activities:

Every year, Kinsus proactively organize a blood donation drive to give back to society and help alleviate the blood shortage problem. By participating in this activity, we aim to show our care for the community and make a meaningful contribution. Additionally, this activity promotes metabolism and enhances the overall health of our employees.

In 2022, a total of 179 employees participated in the blood donation drive. We collected 255 bags of donated blood, amounting to a total of 63,750cc. Please refer to the chart below for more details:



Weight Loss Activities:

The "Slim and Healthy Together" weight loss activity was organized to encourage employees to engage in physical activity at least 5 days a week, for 30 minutes each time, in order to develop healthy habits and achieve weight loss through self-directed exercise. A total of 244 individuals participated in the individual category, and there were 46 groups in the team category. The activity lasted for 11 weeks, during which the individual category achieved a total weight loss of 535.2 kilograms, and the team category achieved a total weight loss of 269.7 kilograms.

After excluding participants who dropped out, 42.62% of the individual category participants achieved a weight loss of at least 2 kilograms, with an average weight loss of approximately 3.39 kilograms per person. In the team category, 41.3% of the groups achieved a weight loss of at least 6 kilograms, with an average weight loss of approximately 14.19 kilograms per group. This activity received high praise from senior management in the factory, and they personally presented rewards to the top three teams in the weight loss category.



Championship for Weight Loss Group Activity



Second-place Award for Weight Loss Group Activity



Third-place Award for Weight Loss Group Activity

Group / Kg	2021	2022
Number of Individual Group Participants	98 People	244 People
Weight Loss in Kilograms	352.5 Kg	535.2 Kg
Number of Participants in the Group	63 People	138 People
Weight Loss in Kilograms	274.5 Kg	269.7 Kg

Sports Injury Prevention and Treatment:

In 2022, the weight loss activity had a new addition with the inclusion of the "Prevention and Treatment of Exercise-Related Injuries" activity. This activity featured presentations by physical therapists, covering self-care tips, the benefits of dynamic stretching, exercise injury management, and functional movement assessment. The physical therapists also provided direct demonstrations of correct posture and personally adjusted the postures of the participants. This activity received positive feedback from the employees, as it provided them with the correct knowledge of exercise methods, ensured their safety during exercise, and allowed them to establish suitable exercise routines for themselves, effectively achieving their health management goals.

A total of 51 employees participated in this activity, and the satisfaction rate was 92.2%. Despite the short duration of the 1-hour session, one employee provided positive feedback. This particular employee had previously experienced muscle soreness, but after practicing the exercises taught by the physical therapists at home, they felt a significant improvement in their muscle soreness. They expressed gratitude to the medical staff for organizing this program.



Physiotherapist explains correct posture



Physiotherapist demonstrates correct posture



Physiotherapist instructs colleagues on movements



Physiotherapist adjusts colleagues' movements



07

Shared Prosperity with Society

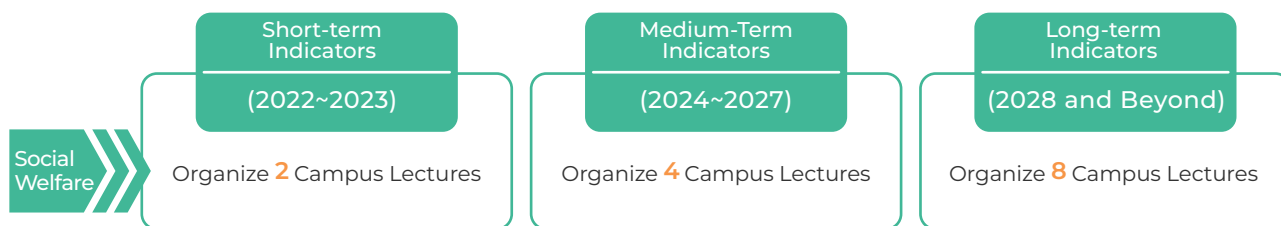
7.1 Policy and Management

7.2 Participation in External Organizations

7.3 Social Welfare Activities



At Kinsus Interconnect Technology Corp. Interconnect Technology Corp., we focus on three main aspects for social prosperity: industry-academia cooperation, social welfare, and caring for the underprivileged. Short-term, medium-term, and long-term indicators have been set, as shown in the table below:



| Material Topics Objectives and Performance

Kinsus Interconnect Technology Corp. Interconnect Technology Corp. Interconnect Technology Corp's primary focus for social prosperity includes industry-academia cooperation, social welfare, and caring for the underprivileged. The objectives and achievements for the past two years are as follows:

2023 Objectives	2022 Objectives	2022 Achievement Rate
Organize 4 Campus Lectures	4	2→ Achieved

7.1 Policy and Management

The ESG Committee at Kinsus Interconnect Technology Corp. Interconnect Technology Corp. is established based on the company's commitment to corporate social responsibility, following the standards and requirements of the Responsible Business Alliance (RBA) Code of Conduct. The committee drives various social responsibility activities and ensures that the performance data of sustainable operations and social responsibility achievements are presented in the ESG sustainability report.

Sports Injury Prevention and Treatment:

The organization, members, responsibilities, and discussion topics of the ESG Committee are outlined in the table below:

Category	Annual Operational Projects
Chairman	Vice Chief of Sustainability Officer
Committee members	Representatives from respective departments
Responsibilities	<ul style="list-style-type: none"> Establishing the strategic direction for corporate sustainable development, annual planning of sustainable development activities Monitoring and reviewing the implementation and direction of the corporate sustainable development plan, making decisions on other ESG-related matters
Discussion Topics	<p>Conduct a biannual review meeting to collectively plan relevant issues and business initiatives for corporate sustainable development.</p> <p>Provide an annual report to the Board of Directors on the execution achievements of the current year.</p>

Corporate Social Responsibility Policy

Kinsus Interconnect Technology Corp. Interconnect Technology Corp.'s overall ESG policy on social responsibility is divided into five key areas: **environmental protection, friendly workplace, employee care, shared social prosperity, integrity management, and full participation.**

(1) Friendly Workplace and Employee Care

To enhance labor rights, Kinsus Interconnect Technology Corp. Interconnect Technology Corp. complies with the "Labor Standards Act" and relevant laws. The company establishes internal rules and regulations, including the filing of work rules, prevention of sexual harassment, anti-corruption and bribery measures, fair trade practices, and complaint procedures. Kinsus Interconnect Technology Corp. Interconnect Technology Corp. also sets up management mechanisms to safeguard the rights and interests of employees and encourages open expression of opinions. Each factory has a "complaint mailbox," and a personal data protection mechanism is in place to prevent unfair treatment and maintain a good labor-management relationship.

Emphasis on Labor Rights, Working Environment, and Ethical Standards

Kinsus Interconnect Technology Corp. Interconnect Technology Corp. adheres to labor rights legislation such as the "Gender Equality in Employment Act" and the "Employment Service Act." The company has implemented measures and disciplinary procedures to prevent and address sexual harassment and unlawful infringement of employees' rights while also signing a "Consent Form for the Collection, Processing, and Use of Personal Data" during employee registration. Kinsus Interconnect Technology Corp. Interconnect Technology Corp. not only discloses the purpose of using personal data but also protects the privacy of employees' personal information.

Summary of Measures Regarding RBA Code of Conduct in Regulatory Compliance, Labor Rights, Working Environment, and Ethical Standards:

- 1 Compliance with relevant labor laws to protect employees' legal rights and respect internationally recognized principles of labor rights, including freedom of association, collective bargaining rights, care for vulnerable groups, prohibition of child labor, elimination of forced labor, and eradication of employment discrimination, without infringing upon the basic rights of workers.
- 2 The company's human resources policies ensure equal treatment regardless of gender, race, age, marital status, or family circumstances, and promote equality in remuneration, employment conditions, training, and promotion opportunities.
- 3 Establish channels for regular communication and dialogue with employees, ensuring their rights to access information and express opinions on the company's management activities and decision-making. Protection measures for whistleblowers reporting inappropriate bullying or sexual harassment by supervisors have been established to ensure that complainants are not concerned about retaliation.
- 4 Provide employees with a safe and healthy working environment, including necessary health and emergency facilities, and strive to reduce factors that may endanger employees' safety and health to prevent occupational hazards. Regular safety and health education and training, as well as health check-ups, are conducted for employees.
- 5 **Information transparency:** The company's website, <https://www.Kinsus Interconnect Technology Corp. Interconnect Technology Corp..com.tw/zh-TW/Download/financial-information>, provides information on financial performance, corporate social responsibility, and other business activities in the investor services section.
- 6 **Fair trade, advertising, and competition:** Employees are required to comply with fair trade laws, strictly prohibiting insider trading and conflicts of interest. The company engages in business activities in accordance with relevant competition regulations, strictly adhering to anti-monopoly and anti-trust practices such as prohibiting fixed pricing, bid-rigging, production restrictions, quotas, market-sharing, or any unfair competition practices related to the allocation of customers, suppliers, operational areas, or business types.
- 7 **Personal privacy protection:** The company sets security measures for employee computer usage permissions and passwords, and enforces privacy protection requirements for customer, vendor, or employee personal data. Transparent and effective consumer complaint procedures are implemented, ensuring fair and prompt handling of consumer complaints, and strict compliance with relevant regulations to respect consumer privacy rights and protect the personal data provided by consumers.

- 8 The company conducts marketing and labeling of products or services in compliance with government regulations and relevant international guidelines, prohibiting deceptive, misleading, fraudulent, or any other behavior that undermines consumer trust or harms consumer rights.

Kinsus Interconnect Technology Corp. Interconnect Technology Corp. complies with various relevant government regulations, with no records of violations of economic and social regulations or instances of being fined.

(2) Social Prosperity and Employee Engagement:

The company participates in public welfare activities and cares for socially disadvantaged groups. It places great importance on environmental resources and protection, actively promoting greening initiatives and energy conservation in its factories. During the production process, it adopts green and non-hazardous substances and classifies and lawfully handles waste to minimize the generation of substantial waste that harms the environment of our green planet.

Furthermore, to implement corporate social responsibility, the Kinsus Interconnect Technology Corp. Interconnect Technology Corp. maintains continuous communication and engagement both internally and externally. It organizes regular education and training programs to foster employee consensus and compliance with relevant corporate social responsibility standards. Employees are encouraged to actively participate in these initiatives.


7.2 Participation in External Organizations

In order to effectively harness the power of the industry and stay updated on industry developments, Kinsus Interconnect Technology Corp. Interconnect Technology Corp. actively participates in domestic industry associations as a member. It engages in various symposiums and seminars organized by these associations, fostering close interaction and exchange with the industry. Together, we collaborate to shape the prosperity of the industry.

Organization Participate	Role
Taiwan Printed Circuit Association (TPCA)	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member
Taipei Computer Association	Member
Taoyuan Industrial Federation	Member
Police Support Association	Member
TPCA Environment Foundation	Member
Monte Jade Science and Technology Association Taiwan	Member
Taoyuan City Industries Association	Member
Association of Clubs Industry Taoyuan City	Member



7.3 Social Welfare Activities

The operational direction and promotional measures of ESG in social welfare activities

Category	Item
2021	
 Social Welfare	Red Envelope Charity Event (Taiwan Charity Association)
	Charity Donation Campaign (Hwashan Social Welfare Foundation, Taoyuan City)
	Mid-Autumn Festival Gift Boxes Donation (Heartlight Org, Taoyuan City, Hwashan Social Welfare Foundation, Funchao Mental Retardation Training Centre)
	Mid-Autumn Festival Gift Boxes Orders (Taiwan Foundation for the Blind, Down Syndrome Foundation R.O.C., Yu Cheng Social Welfare Foundation)
	Decent Rossi Program (Eden Social Welfare Foundation)

Category	Item
 Local Community	Funding for Shih-Lei Community Visiting Activities Organized by Shih-Lei Community Development Association
	Environmental Protection Volunteer Training Activity in Shih-Lei Village
	Funding for Autumn Festival Activities in Shih-Lei Village
	Funding for Double Nine Festival Elderly Appraisals Event- hosted by Xingu Songbai Association
	Sponsorship for Cultural Recreational Activities for Residents of Qi Ding Village, Xing-Feng Township, Hsinchu County
	Sponsorship for Mid-Autumn Festival Evening Party at Jian Xing Neighborhood, Qi Ding Village, Xing-Feng Township, Hsinchu County
	Qi Ding Community Development Association, Xing-Feng Township, Hsinchu County - Members' Meeting and Year-end Gathering
	Reserved Sponsorship for Chairman of Xing-Feng Township Council
 Temples	Sponsorship for Self-Improvement Activity Event at Qi Ding Fu De Temple Development Association, Xing-Feng Township, Hsinchu County
	Zhong Chun Fu De Temple Development Association, Xing-Feng Township, Hsinchu County - Mid-Autumn Festival Evening Party
	Opera Performance at Yong Ning Temple, Xing-Feng Township
	Da-Pu Fu De Temple (K5A) in Qi Ding Village
 Police and Fire Department	Funding for observation and study of community watch team in Shih-Lei Village
	Sponsorship for activities hosted by Da Shan Zhai Patrol Association, Xing-Feng Township, Hsinchu County
	Members Assembly Event hosted by Volunteer Police and Civil Defense Association, Xing-Feng Township
	Sponsorship for activities hosted by Xing-Feng Volunteer Fire Department - Xing-Feng Branch
	Sponsorship for firefighting equipment and gear for Hsinchu County Volunteer Fire Department - Headquarters

Donation Amount \$2,308,350

Category	Item
2022	
 Social Welfare	Mid-Autumn Festival Gift Boxes Orders (Taiwan Foundation for the Blind, Baby Development Center, Yu Cheng Social Welfare Foundation)
 Local Community	Funding for Shih-Lei Community Visiting Activities Organized by Shih-Lei Community Development Association
	Environmental Protection Volunteer Training Activity in Shih-Lei Village
	Funding for Mid-Autumn Festival Event hosted by Tsing-Hua Environmental Volunteers
	Funding for Double Nine Festival Elderly Appraisals Event- hosted by Xingu Songbai Association

Category	Item
 Local Community	Funding for Double Nine Festival Elderly Appraisals Event- hosted by Xingu Songbai Association
	Training activity for environmental volunteers in Tsing-Hua Neighborhood
	Sponsorship for Mid-Autumn Festival Evening Party at Jian Xing Neighborhood, Qi Ding Village, Xing-Feng Township, Hsinchu County
	Qi Ding Community Development Association, Xing-Feng Township, Hsinchu County - Members' Meeting and Year-end Gathering
 Temples	Sponsorship for Self-Improvement Activity Event at Qi Ding Fu De Temple Development Association, Xing-Feng Township, Hsinchu County
	Opera Performance at Yong Ning Temple, Xing-Feng Township
	Da-Pu Fu De Temple (K5A) in Qi Ding Village
 Police and Fire Department	Funding for observation and study of community watch team in Shih-Lei Village
	Members Assembly Event hosted by Volunteer Police and Civil Defense Association, Xing-Feng Township
	Sponsorship for activities hosted by Xing-Feng Volunteer Fire Department - Xing-Feng Branch
	Sponsorship for firefighting equipment and gear for Hsinchu County Volunteer Fire Department - Headquarters

Donation Amount \$2,528,500

Social Welfare

Helping charities provide assistance and care to those in need, making society more harmonious and compassionate.

Local Community

Assisting neighborhoods with the necessary funds for organizing various activities through donations. This not only allows community residents to enjoy pleasant festive events but also demonstrates care and support for the community, working together for its development and progress.

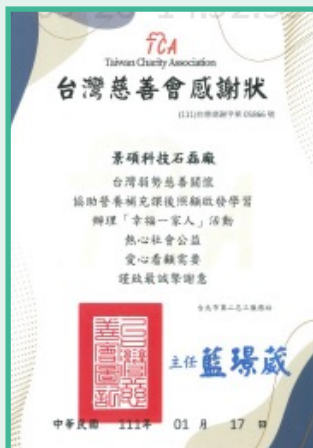
Temples

Promoting community cohesion and interaction while spreading positive energy and cultural traditions. Temple activities can also attract more tourists and visitors, contributing to the local economy.

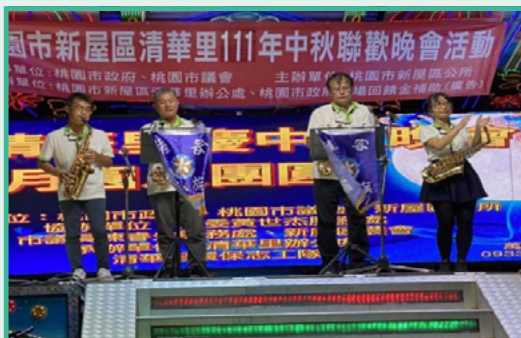
Police and Fire Department

Training the skills and knowledge of police and fire departments, strengthening community safety measures. Providing funds for the purchase of firefighting equipment and gear improves response efficiency and safety. By donating to support these teams and organizations, community cohesion and interaction are enhanced, allowing everyone to contribute to community safety and development.

Social Welfare Fundraising Event



Local Community Fundraising Event



Campus Recruitment Workshops

Job Fairs and Campus Recruitment Workshops:

2022 we organized **16** job fairs on campuses with a total of **1,486** attendees.

2022 we held **47** workshop sessions for campus recruitment, with a total of **1,692** participants.

Category	2022 Job Fair Expo		2022 Workshops	
	Event Hosted	Attendees	Event Hosted	Attendees
Subtotal	16	1,486	47	1,692



Providing Local Job Opportunities:

We have provided employment opportunities for a total of 2,292 individuals in the surrounding areas of neighboring companies. This initiative not only contributes to the local economic development but also helps foster a good relationship between the community and the company, resulting in a win-win situation.

Area	Xinwu District	Guanyin District	Yangmei District	Pingzhen District	Zhongli District	Xing-Feng Township	Hukou Township	Zhubei City
Employment	470	291	430	234	334	279	162	92

Appendix 1

ESG PERFORMANCE for TCFD

Category	Sustainability Indicators	Unit	2020	2021	2022
Corporate Governance	6-20% Corporate Governance Evaluation Ranking among all listed companies	%	6 ~ 20%	6 ~ 20%	21 ~ 35%
	Attendance rate of the Board of Directors Meeting $\geq 95\%$	%	95%	96%	97%
Risk Management	Completion rate of risk assessment for various departments	%	100%	100%	100%
	Annual Emergency Fire Escape Drill ≥ 1 time/year	%	1	1	1
Customer Satisfaction	Customer Satisfaction Rate $\geq 70\%$	%	75%	77%	77%
	Customer complaints regarding unauthorized personal or order data breach	Case	0	0	0
Legal compliance	Violations of corporate laws or tax regulations	Case	0	0	0
	Violations of customer privacy or information security regulations	Case	0	0	0
	Violations of product or fair trade regulations	Case	0	0	0
	Violations of air pollution and environmental protection regulations	Case	0	0	0
	Violations of wastewater discharge regulations	Case	0	0	0
	Violations of waste management regulations	Case	0	0	0
	Violations of labor and occupational safety and health regulations	Case	0	0	2
Supply Chain Management	Average score of supplier evaluation maintained at ≥ 80	Point	90	92	95
	Number of units implementing CSR self-assessment forms: ≥ 11	Unit	--	11	12
	Compliance rate for the procurement of raw materials free from harmful substances and conflict minerals	100%	100%	100%	100%
Green Production	Electricity conservation ≥ 3 million kilowatt-hours	kilowatt-hours	205	210	292
	Installation of 4.3 million kilowatt-hours renewable energy:	kilowatt-hours	--	430	430
	Reduction of greenhouse gas emissions $\geq 1,500$ tons of CO ₂ /year	Ton CO ₂ /year	--	--	1,486
	Enhancement of climate resilience: Production disruption caused by climate disasters	0 days	0	0	0
Water Resource Management	Water recycling rate $\geq 8.5\%$	%	--	--	8.2%
	Water management: production losses due to water restrictions	PCS	--	--	0PCS
Waste Management	Resource recycling rate: $\geq 80\%$	%	--	--	81.88%
	Waste disposal: handled by legal operators: 100%	100%	100%	100%	100%

Category	Sustainability Indicators	Unit	2020	2021	2022
Labor Relations	Retention rate of newly hired Taiwanese employees (after 3 months): $\geq 80\%$	%	--	--	73.4%
	Total employee turnover rate $\leq 20\%$	%	--	39.3%	24%
	Maternity leave retention rate $\geq 80\%$	%	92%	90%	79%
	Average annual employee training hours ≥ 8 Hours	Hours	9	10.11	12.04
Human Right	Workplace misconduct/bullying cases 0 case	%	0	0	0
	Employee complaints/mediation cases 1 case	Case	0	0	1
Health and Safety	ISO 45001 occupational health and safety system verification	Pass	Pass	Pass	Pass
	100% participation rate of new hires in occupational health and safety education training	%	100%	100%	100%
	Participation rate in health check-ups $\geq 90\%$	%	91%	92%	100%
	Achievement rate of training for high-risk operation personnel: 100%	%	100%	100%	100%
	Number of major occupational accidents ≤ 5 cases per year (excluding fatalities)	Case /year	2	3	3
	Achievement rate of hazard identification and risk assessment in each department 100%	%	100%	100%	100%
	Maintaining 0 cases of occupational diseases caused by chemical exposure	Case /year	0	0	0
	Disabling Injury Frequency Rate $\leq 3\%$	% /year	2.78%	2.73%	2.25%
	Disabling Severity Rate $\leq 30\%$	% /year	24%	20%	27%

Disclaimer: Kinsus Interconnect Technology Corp. references the GRI Guidelines for reporting (reporting period: January 1 to December 31, 2022).

Using GRI 1 Universal Standards 2021

Applicable GRI Industry Guidelines: N/A

Appendix 2

GRI Standards (2021) and ESG Report Corresponding Index

	GRI Standard	ESG Corresponding Chapter	Page	Remark
General Disclosure (2-1~2-30)				
Organization and Reporting	2-1 Organizational Details	2.1 Organization Details	26	
	2-2 Entities included in the organization's sustainability reporting	• Report Summary and Scope • Coverage	3	
	2-3 Report period, frequency and contact window	• Report Period • Publication Frequency • Contact Window	3 5	
	2-4 Restatements of information	• Changes in reporting	4	
	2-5 External assurance	• Ensuring the accuracy of disclosed information • External assurance	5	
Activities and Employees	2-6 Activities, value chain and other business relationships	3.1 Operational Performance and Challenges 3.3 Customer Management and Service	53 58	
	2-7 Employees		92	
	a. Report the total number of employees, and a breakdown of this total by gender and by region	6.2 Human Resources Structure	93	
	b. Report the total number of different categories of employees	Distribution of manpower of the last two years		
	2-8 Workers who are not employees	Distribution of manpower of the last two years	93	Regular Contracts of Dispatch Labor
Governance	2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Governance Structure • Board of Directors	30 31	The Company's Sustainable Development Committee is a functional committee that is not subordinate to the Board of Directors. It is chaired by the CEO who also holds the position of General Manager and has directorship.
	2-10 Nomination and selection of the highest governance body	2.2 Corporate Governance • Annual General Meeting of Shareholders 2.2.2 Governance Structure • Board of Directors	30 31	Director elections follow a candidate nomination system.
	2-11 Chair of the highest governance body	2.2.2 Governance Structure • Board of Directors	31	The Chairman of the Board also serves as the Deputy Chief Strategy Officer, leveraging their extensive industry experience to enhance the company's operational efficiency. Major proposals are discussed and reviewed by the Board of Directors, who possess professional knowledge and extensive industry experience, enabling effective oversight
		Authority of the Board of Directors	31	

	GRI Standard	ESG Corresponding Chapter	Page	Remark
	General Disclosure (2-1~2-30)			
	2-12 Role of the highest governance body in overseeing the management of impacts a. Highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and objectives b. Highest governance body in overseeing the organization's due diligence and other processes	Duties of the Board of Directors: integrity management 2.4 Business Philosophy and Ethics 2.1.2 Organizational Structure 2.1.3 Responsibilities of Key Departments	32 36 38 28 29	8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance Annually report to the Board of Directors on stakeholder communication, including shareholders, employees, customers, communities, regulatory authorities, and suppliers.
	2-13 Delegation of responsibility for managing impacts a. The highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people b. Process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	2.1.2 Organizational Structure 2.1.3 Responsibilities of Key Departments 2.7 Risk Management System	28 29 47	The Chairman of the Sustainable Development Committee is held by the CEO and General Manager, while the Deputy Chief Sustainability Officer is held by a senior Vice General Manager. Each department is responsible for relevant business content and implementation.
	2-14 Role of the highest governance body in sustainability reporting a. Report whether the highest governance body is responsible for reviewing and approving the reported information b. If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this	Duties of the Board of Directors: 8. Vision, Strategy, and Verification timeline for Promoting Sustainable Corporate Governance:	31	The Board of Directors serves as the strategic planning unit for ESG, with the Sustainability Management Office overseeing the management, and the ESG Committee responsible for implementing the Code of Conduct for listed companies.
Governance	2-15 Conflicts of interest a. Describe the processes for the highest governance body to ensure that conflicts of interest is prevented and mitigated b. Report whether conflicts of interest are disclosed to stakeholders	Integrity management 2.3.2 Effectiveness of Implementation • Whistleblowing/Complaint Mechanism	36 37	The Code of Conduct for Listed Company integrity management
	2-16 Communication of critical concerns a. How critical concerns are communicated to the highest governance body	Duties of the Board of Directors 1.1.1 ESG Organization and Responsibilities	31 7	
	2-17 Collective knowledge of the highest governance body a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	2.2.2 Governance Structure: Educational and professional background of board members Board diversity	31 32 33	Training Status of Board of Directors Members
	2-19 Remuneration policies	2.2.2 Governance Structure: • Director's remuneration 6.4.1 Compensation and Benefits Policy and Performance	31 99	Compensation and Benefits Policy: Competitive compensation and benefits to attract and retain talent.
	2-20 Process to determine remuneration a. Process for designing its remuneration policies.	2.2.2 Governance Structure: • Director's remuneration 6.4.1 Compensation and Benefits Policy and Performance Compensation and Benefits Policy 6.4.2 Compensation system for the board of directors and senior executives • Operation of the compensation committee	31 99 100	
Practice of Strategy and Policy	2-22 Statement on sustainable development strategy a. A statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	0_Statement from Chairman – Sustainable Development Strategy	2	
	2-23 Policy commitments a. Describe its policy commitments for responsible business conduct b. Describe its specific policy commitment to respect human rights	6.1 Talent Cultivation Policy and Commitment • Corporate sustainable development policy	91 92	Commitment to Implement Eight Human Rights Policies
	2-24 Embedding policy commitments a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	• List and management of 14 material topics	146	

	GRI Standard	ESG Corresponding Chapter	Page	Remark
General Disclosure (2-1~2-30)				
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Communication and Analysis of Concerns from Stakeholders	10	Communication Channels for Stakeholder Concerns
	2-27 Compliance with laws and regulations a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period	2. Legal compliance	39	
	2-28 Membership associations	7.2 Participation of external organizations	137	
Stakeholder Engagement	2-29 Approach to stakeholder engagement a. Describe its approach to engaging with stakeholders	1.1 Stakeholder Organization and Identification 1.2 Communication and Analysis of Concerns from Stakeholders	7 10	
	2-30 Collective bargaining agreements a. Report the percentage of total employees covered by collective bargaining agreements	6.5 Human Right Protection: Listen to our employees	106	No Collective Agreements, but Labor-Management Meetings
	• Material Topics 3-1 Process to determine material topics	1.2.1 ESG Organization and Responsibilities → 1.2.2 Identification of Key Stakeholders → → Communication channels with key stakeholders → 1.3 Communication and Analysis of Stakeholder Concerns → Identification and analysis of stakeholder concerns 1.4 Prioritization and Response to material topics	11 11 11 12 12 16	
Material Topics	3-2 List of material topics a. List of Material Topics b. Report changes to the list of material topics	1.Sustainability Management 1.4.1 Influence of Sustainable Business 1.4.2 Value chain and relationship of material topics at Kinsus Interconnect Tech Corp. 1.4.3 Risk management of material topics • Report Summary and Scope • Changes in reporting	6 16 17 17 3	
	3-3 Management of Material Topics	• List and management of 14 Material Topics	146	Appendix 2-1

• List of 14 Material Topics and Corresponding ESG Chapters

NO	Page	GRI Standards	ESG Corresponding Chapter	Page	Remark
	201	Topic Disclosure	3.1 Operational Performance and Challenges • Operational strategies and management	53	Operational Performance Policy Management
Operational Performance	201-1	Direct economic value generated and distributed	• Operating Results of Generating and Distributing Direct Economic Value in the Past Three Years	55	• Percentage of Revenue Derived from Units Produced by Product Category
	201-2	Financial implications and other risks and opportunities due to climate change	5. Green Production • Types of Climate Change Risks, Potential Operational Impacts, and Adaptation Methods	72 75	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	6.4.1 Compensation and Benefits Policy and Performance 6.4.2 Retirement Scheme 6.4.4 Diversified Welfare System	99 100 102	
	201-4	Financial assistance received from government	3.2 Tax Policy	57	No financial assistance received from government

NO	Page	GRI Standards	ESG Corresponding Chapter	Page	Remark
2 Ethical Business Practice	2-15	Conflict of Interests	2.3 Ethical Business Practice 2.integrity management 2.3.2 Effectiveness of Implementation • Whistleblowing/Complaint Mechanism	36 36 37	Policy and system of ethical business practice
	2-12	Role of the highest governance body in overseeing the management of impacts	The powers and responsibilities of our company's board of director 8. Promoting Sustainable Business and Verification Timeline.	31	
	TCFD	Task Force on Climate-Related Financial Disclosure	5. Green Production • Types of climate change risks, potential operational impacts, and adaptation methods	72 75	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
3 Risk Management	201	Economic Performance	3.1 Operational Performance and Challenges • Operational strategies and management policy	53	Operational Performance Policies and Management
	201-1	Direct economic value generated and distributed	• Direct economic value generated and distributed in the past three years	55	• Percentage of Revenue Derived from Units Produced by Product Category
	201-2	Financial implications and other risks and opportunities due to climate change	5. Green Production • Types of climate change risks, potential operational impacts, and adaptation methods	72 75	Governance, Strategy, Risks, and Key Performance Indicators related to Climate Change
	201-4	Financial assistance received from government	3.2 Tax Policy	57	
4 Shareholder's Rights and Interests	401	Labor Relations	6.1 Talent Cultivation Policy and Commitment	91	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	6.4 Compensation and Benefits 6.4.2 Retirement Scheme 6.4.4 Diversified Welfare System	99 100 102	
	405	Diversity and Equal Opportunities	6.1 Talent Cultivation Policy and Commitment 6.5 Human Right Protection: Listen to our employees	91 106	
	405-1	Diversity of governance bodies and employees	6.4.1 Compensation and Benefits Policy and Performance	99	
	405-2	Ratio of basic salary and remuneration of female to male			
5 Labor Relations	2-27	Legal Compliance	2.4.3 Legal Compliance	39	
	2-15	Conflict of Interests	2.4 Business Philosophy, Ethics, Legal compliance. 2.4.1 Business Philosophy 2.4.2 Ethical Principles legal compliance • Anti-bribery and Anti-corruption	38 38 38 39	
6 Legal Compliance	406	Non-discrimination	6.5.1 Human Right Protection	106	
	406-1	Incidents of discrimination and corrective actions taken	6.5.2 Human Rights and Non-discrimination Implementation of human rights indicators in the past two years	108	
7 Morals and Ethics	412	Human Right Assessment	6.5.1 Human Right Human Rights Maintenance and Risk Assessment Form	106	
	412-1	Operations that have been subject to human rights reviews or impact assessments			Employee training and assessment on labor human rights
	412-2	Employee training on human rights policies or procedures			
8 Human Right Protection	406	Non-discrimination	6.5.1 Human Right Protection	106	
	406-1	Incidents of discrimination and corrective actions taken	6.5.2 Human Rights and Non-discrimination Implementation of human rights indicators in the past two years	108	
9 Human Rights	412	Human Right Assessment	6.5.1 Human Right Human Rights Maintenance and Risk Assessment Form	106	
	412-1	Operations that have been subject to human rights reviews or impact assessments			Employee training and assessment on labor human rights
	412-2	Employee training on human rights policies or procedures			

NO	Page	GRI Standards	ESG Corresponding Chapter	Page	Remark
9 Health and Safety	403	Occupational health and safety	• Major Occupational Safety and Health Policies and Management Principles	113	Implementation of ISO 45001 International Standard for Occupational Health and Safety Management System
	403-1	• Occupational health and safety management system	6.6.3 Occupational Safety and Health System and Self-inspection	117	
	403-2	Hazard identification, risk assessment, and incident investigation	• Risk Assessment Operations	117	• Flowchart for Risk Assessment Occurrences/Duration of On-site Medical Service by Physicians and Nurses in the last three years
	403-3	• Occupational health services	6.7 Healthcare	127	
	403-4	• Worker participation, consultation, and communication on occupational health and safety	6.6.2 Occupational Safety and Health Committee.		• Occupational Safety and Health Educational Training
	403-5	• Worker training on occupational health and safety	6.8 Health Promotion Activities.	115	
	403-6	Promotion of worker health	6.6.4 Workplace Environment Measurement.	132	
	403-7	• Prevention and mitigation of occupational health and safety impacts	6.6.6 Occupational Safety and Health and Loss Prevention Activities	117	
				120	
	403-9	Work-related injuries	6.6.2 Occupational Safety and Health Committee.	115	• Number of Occupational Health and Safety Certifications
10 Customer Privacy	403-10	Work-related illness	6.6.5 Occupational Accident Statistics.	118	• Summary of Occupational Accident Statistics in the last three years
			6.7.2 Health Check-ups and Health Care.	128	• No Instances of work-related illness detected during health check-ups in 2022
12 Production Capacity, Output, and Value by Product Category	418	Customer Privacy	3.4 Customer Privacy Policy and Management Principles.	60	Policy: Protection of Customer Privacy
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	We adhere to the ethical policy of "Personal Privacy data protection and the confidentiality of Customer and Supplier Business Information."	58	• No Instances of Customer Privacy Breach Resulting in fines or compensation for Kinsus Interconnect Tech Corp. in 2022
	303	Water and Effluent	5.4 Water Resources Management	81	
			• Water Resources Risk Management.	82	
			• Wastewater Management Measures.		
	303-2	Management of water discharge related impacts	5.4 Water Resources Management		• Measures for Preventing Water Pollution
	303-3	Water withdrawal	• Water Resources Utilization	81	
			• Water Conservation Measures	82	• Water Consumption chart for the last two years
	306	Effluent and Waste	5.1 Environmental Protection Policy and Commitment	77	Establishment of Business Waste Management Procedures
	306-3	Waste Generated	5.5 Waste Management.	83	Statistics for the Past Two Years
			Requirements for waste disposal and recycling.	84	Outsourcing waste management to legal contractors
			• Converting waste into energy		
12 Production Capacity, Output, and Value by Product Category	308	Supplier Environmental Assessment	4.1 Policy and commitment of supplier management	65	Preparation of Supplier Management Operational Manual for Supplier Quality Assessment and RBA Social Responsibility Audits (including Environmental aspects)
			4.5 Social responsibilities of supplier		
	308-1	New suppliers that were screened using environmental criteria		69	
	308-2	Negative environmental impacts in the supply chain and actions taken	Note: Through the "Code of Conduct for Social Responsibility," suppliers are required to comply with sustainability standards, including environmental impact issues. In the year 2022, a total of 589 questionnaires were collected for assessment. Suppliers with potential risks will be continuously requested to make improvements.		
	414	Supplier Social Assessment	4.1 Policy and commitment of supplier management	65	1. We have developed a Supplier Management Operating Procedures Manual to conduct RBA social responsibility audits (including social responsibility) for new suppliers
			4.5 Social responsibilities of supplier		
	414-1	New suppliers that were screened using social criteria	A total of 24 suppliers identified as high-risk were assessed on-site in 2022	69	2. We take actions such as reminders and audits regarding working hours, safety, labor disputes, and other related issues concerning their employees for suppliers located in the local area.
	414-2	Negative social impacts in the supply chain and actions taken			

NO	Page	GRI Standards	ESG Corresponding Chapter	Page	Remark
	302	Energy	5.1 Environmental Protection Policy and Commitment	77	
	302-1	Energy consumption within the organization	5.2 Climate Change and Low-Carbon Manufacturing	77	
	302-2	Energy consumption outside of the organization	• Greenhouse Gas Policy and Emissions		
	302-3	Energy intensity			
	302-4	Reduction of energy consumption			
	302-5	Reductions in energy requirements of products and services			
	305	Emission	5.1 Environmental Protection Policy and Commitment	77	
	305-1	Direct (Scope 1) GHG emissions	5.2 Climate Change and Low-Carbon Manufacturing	77	
	305-2	Energy indirect (Scope 2) GHG emissions			
13 Customer Service and Satisfaction	416	Customer Health and Safety	3.3 Customer Management and Service	58	
			4.6 Ethical Procurement		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.5 Product Quality and Delivery Management Policy	71 60	Free from harmful substances and conflict minerals
	417	Topic Disclosure	3.5 Product Quality and Delivery Management Measures for Product Quality and Delivery	60	
	417-1	Requirements for product and service information and labeling	• Major principle: Comply with customer requirements for the health and safety specifications of products and services, as well as the labeling of product and service information.	59	
14 Product Quality and Delivery Date	417	Marketing and Labeling	3.5 Product Quality and Delivery	58	
	417-1	Requirements for product and service information and labeling	Management Measures for Product Quality and Delivery	58	
			• Major principle: Comply with customer requirements for the health and safety specifications of products and services, as well as the labeling of product and service information.		
	416	Customer Health and Safety: Topic Disclosure	3.3 Customer Management and Service	58	
			4.6 Ethical Procurement		
			3.5 Product Quality and Delivery Management Policy		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		71 60	Free from harmful substances and conflict minerals

Appendix 3

SASB Index

Hardware Manufacturing Industry: Sustainability Accounting Standards Board and ESG Report Corresponding Index

Code	Accounting Metrics	Category	Unit of Measurement	Chapter/ Page
Topic / Product Security				
TC-HW-230a.1	2-2 Entities included in the organization's sustainability reporting	Discussion/ Analysis	N/A	2.6 Information Security/2-16 ~2-17
Topic / Employee Diversity & Inclusion				
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative	Percentage (%)	6.2 Distribution of manpower structure 2022 Distribution of manpower structure / 6-4~6-5 (1) Direct Labor:Female/ Male Ratio 14.87% / 22.39% (2) Indirect Labor:Female/ Male Ratio (Include Managerial Personnel) 6.6% / 17.4% (Managerial Personnel:Female/Male Ratio) (1.9% / 7.3%) (3) Foreign Labors:Female/ Male Ratio 18.3% / 17.2%
Topic / Product Lifecycle Management				
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage (%)	N/A
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	Percentage (%)	Verifying requirements and revising current edition, information temporarily not applicable
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative	Percentage (%)	N/A
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	mt Percentage (%)	Not Counted
Topic / Supply Chain Management				
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Percentage (%)	Supplier VAP (Vendor Assessment Program) audit has not been implemented. Instead, we dispatch personnel to conduct audits at suppliers in accordance with RBA (Responsible Business Alliance) standards.
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative	Speed	•Implementation of Social Responsibility Self-Assessment for Suppliers Kinsus Interconnect Tech Corp. completed social responsibility self-assessment for 12 medium-risk suppliers, with a completion rate of 32%. On-site audits and the implementation of improvements for identified issues have not been actioned yet.

Code	Accounting Metrics	Category	Unit of Measurement	Chapter/ Page
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Topic / Material Procurement

TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion/ Analysis	N/A	4.5 Ethical Procurement /5- 6 ~ 7 •Non-Usage of Harmful Substances •Responsible Mineral Procurement
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Table 2: Activity Metrics

Topic / Product Lifecycle Management

TC-HW-000.A	Number of units produced by product category	Quantitative	Numeric	3.1 Operational Performance and Challenges •Production Capacity, Output, and Value by Product Category/ 3-5(Note: Product composition may affect output, so output figures are provided for reference only)
TC-HW-000.B	Area of manufacturing facilities	Quantitative	Square Meter m ²	Not Counted
TC-HW-000.C	Percentage of production from owned facilities	Quantitative	Percentage (%)	Not Counted

Appendix 4

Independent Assurance Opinion Statement



Independent Assurance Statement

Scope and Approach

Kinsus Interconnect Technology Corp. ("Kinsus" or "the Company") commissioned DNV Business Assurance Co., Ltd. ("DNV") to undertake independent assurance over the 2022 Sustainability Report for the year ended 31 December 2022 ("the Report").

We performed our work using AA1000 AS v3 and DNV's assurance methodology VeriSustain™, which is based on our professional experience and international assurance best practices, including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles with a Type 1, Moderate level of assurance, according to the DNV VeriSustain™ Protocol.

Responsibilities of the Directors of Kinsus and of the Assurance Providers

The Directors of Kinsus have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Kinsus; however, our statement represents our independent opinion and is intended to inform all of Kinsus' stakeholders.

DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at the Company level. We undertook the following activities:

- Review of the current sustainability issues that could affect Kinsus and are of interest to stakeholders.
- Review of Kinsus' stakeholder engagement approach and recent outputs.
- Review of information provided to us by Kinsus on its reporting and management processes relating to the Principles.
- Interviews with selected senior managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Visits to Kinsus' headquarter in Taoyuan to assess processes and systems for preparing data and implementing sustainability strategies.
- Review of supporting evidence for key claims and 2022 data in the Report, as reported information beyond 2022 is not within the scope of the current engagement. Our checking processes were prioritized according to materiality, and we based our prioritization on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Where data of financial performance had been checked by another third party, we tested the transposition from these sources to the Report.
- An independent assessment of Kinsus' reporting according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

¹ The VeriSustain™ Protocol is available on [dnv.com](https://www.dnv.com)



Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Kinsus' adherence to the Principles.

In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinion, we also provide the following observations.

Stakeholder Inclusiveness

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are identified and documented, and the significant sustainability issues identified through this process are reflected in the Report. However, the stakeholder's engagement process can be improved by establishing a clear procedure and keep relevant records.

Sustainability Context

The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and refers the context requirements of the GRI Standards.

Materiality

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues. However, the significant of topics are determined by degree of concern of stakeholders not topics impact, and the process to determine the significant topics should establish a clear quantitative evaluation procedure and keep relevant records.

Completeness

The Report covers performance data reference the GRI Standards indicators that are identified as material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period. However, it can be improved to disclosure full contents for those indicators.

Accuracy and Reliability

The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.

Impact

The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact. We acknowledge the important efforts in incorporating the concept of impact and encourage further consideration across the Company's growing business areas and along value chains.

For and on behalf of DNV Taiwan

Date: 27 June, 2023


Johnny Wu
Lead Verifier

Business Assurance
DNV Taiwan
Statement Number: C606064-2022-AG-TWN-DNV


David Hsieh
District Manager,

Business Assurance
DNV Taiwan



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